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14 AUGUST 1986

Latin America Report

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JPRS-LAM-86-074

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LATIN AMERICA REPORT

CONTENTS

BRAZIL

National Development Fund Created
(O GLOBO, 24 Jul 86).. 1

SCIENCE AND TECHNOLOGY

Federal Budget Allocations for S&T in 1986
(ORCAMENTO DA UNIAO PARA CIENCIA E TECNOLOGIA, 1986)........ 6

Synthetic Pig Iron Development Improves Competitiveness
(Rosmeiry Tardivo; ISTOE, 28 May 86)........................ 16

CHILE

PDC's Valdes Announces Creation of Broad Coalition
(EL MERCURIO, 15 Jul 86).................................... 18

Briefs

Student Demonstrations 21
Havana Cites Communist Leader 21
Judge Accused of Bias 21
Civic Assembly Coordinator 22

COLOMBIA

UP Rejects Cooperation While 'Bipartisan Hegemony' Exists
(EL TIEMPO, 14, 26 Jun 86).................................. 23

Conditions for Talks With President-Elect 23
UP's Dilemma, Editorial 24

5 Percent Economic Growth, 26 Percent Inflation Rates Projected
(EL TIEMPO, 24 Jun 86).. 26

Briefs

Banana Growers Protest Invasions 30

CUBA

Juragua Nuclear Plant: Safety Features, Technical Training
(BOHEMIA, No 20, 16 May 86)................................. 31

HONDURAS

Editorial Views Domestic Problems Facing Azcona
(TIEMPO, 17 May 86).. 39

Significance of Contra Presence Analyzed
(Editorial; TIEMPO, 3 May 86)............................. 41

Foreign Presence Viewed as 'Permanent'
(Editorial; Victor Meza; TIEMPO, 5 May 86)................ 43

MEXICO

Features of Durazo's Prison Accommodations Described
(Juan Jose Prado; EL NORTE, 4 Apr 86)...................... 45

Eight Witnesses Against Durazo Retract Testimony
(Rafael Medina Cruz; EXCELSIOR, 16, 22 May 86)............ 48

Claims of Violence-Induced Testimony 48
More Charges of Violence 54

10,000 Nuevo Leon PRI Members Burn Party Cards
(Guillermo Canton Zetina; EXCELSIOR, 21 Jun 86)............ 61

Chihuahua Clerical Sociopolitical Activities Enumerated
(EXCELSIOR, 3 Jul 86)...................................... 62

NICARAGUA

Changes in Workers' Supply System Outlined
(BARRICADA, 12 Jul 86)..................................... 66

PERU

Allan Wagner on Foreign Policy, Nonaligned Movement
(Allan Wagner Tizon Interview; EL NACIONAL, 15 Jun 86)..... 68

Establishment of Foreign Trade Institute
(EL COMERCIO, 27 Jun, 2 Jul 86)............................ 72

Draft Proposal 72
Further Details 73

Fernandez Maldonado: Military Coup Improbable
(Jorge Fernandez Maldonado Interview; EL NACIONAL, 2 Jul 86). 74

Peace Commission Member on Prison Riots
(Cesar Rodriguez Rabanal Interview; OIGA, 23 Jun 86)......... 78

Carlos Angulo on Seizure of EL NUEVO DIARIO
(EQUIS X, 23 Jun 86)... 82

January-May 1986 Revenue Figures
(EL COMERCIO, 2 Jul 86)...................................... 86

Decentralization of State Enterprises Termed 'Vital'
(Alejandro Tabini; EL COMERCIO, 24 Jun 86).................. 87

Resumption of Gold Mining Operations Foreseen
(EL COMERCIO, 23, 24 Jun 86)................................. 89

Details on Decision 89
Gold Exploitation Deemed Important, Editorial 90

Low Prices Force Mines To Close
(EL COMERCIO, 27 Jun 86)..................................... 91

Puerto Maldonado-Brazil Transit Measures
(EL COMERCIO, 2 Jul 86)...................................... 93

Briefs
Tahuamanu Province Settlement 95
June Inflation Figures 95
Talara Oil Discovery 96
Meteorological Stations Aid Agriculture 96
Rice Production Figures 96
Loans to Vendors 97
Puno Trout Harvest 97
Fish Quota 97

VENEZUELA

UCV President on Administration Handling of University Crisis
(Rosita Caldera; EL NACIONAL, 19 Jun 86).................... 98

Police Cordon Intercepts University March
(Txomin las Heras; EL NACIONAL, 19 Jun 86)..................103

Briefs
CTV Supports UCV Demands 105

/6539

NATIONAL DEVELOPMENT FUND CREATED

PY260346 Rio de Janeiro O GLOBO in Portuguese 24 Jul 86 p 29

["Text" of Decree-Law creating the National Development Fund promulgated by the Executive Branch on 23 July]

[Text] Article 1. A National Development Fund (FND), which will have an autarkical nature is created for the purpose of obtaining resources for investments necessary to stimulate national development and to support private initiative in undertaking and expanding economic activities.

Single paragraph--Resources from the National Development Fund are not to be used to defray current government expenditures.

Article 2. The initial assets of the National Development Fund will be made up by consolidating stocks of enterprises that are directly or indirectly controlled by the Federal Government, or that are owned by entities of the Federal Administration.

Paragraph 1--The following are excluded from the articles of this provision:

a) Stocks needed to maintain majority control of enterprises, as well as stocks from the Brazilian Nuclear Enterprise (NUCLEBRAS) and the BNDES [National Economic and Social Development Bank] Participation Inc (BNDESPAR);

b) Stocks owned by open capital companies and from those they controlled;

c) Other stocks which, upon judgment of the Economic Development Council, should not be incorporated into the FND.

Paragraph 2--Under this Decree-Law, only companies with registered stocks in the Stock Exchange are considered open capital companies.

Paragraph 3--The exemptions referred to in Paragraph 1 of this article do not apply to companies that are to be transferred to the private sector through the sale of the stock and that are listed in a resolution of the executive branch.

Paragraph 4--The value of the stocks to be consolidated will be determined by their average quotation over the past 30 days in the Stock Exchange or, if this is not available, by the book value of liquid assets evaluated on the balance sheet of 30 June 1986.

Article 3. The Federal Government will subscribe FND shares with the revenue from the Credit Operations Tax, Foreign Exchange and Insurance Operations, and operations involving Securities and Stocks.

Single Paragraph--The Federal Government can subscribe share with additional budgetary funds.

Article 4. The FND can issue nominal shares and long-term obligations to attract investors.

Article 5. As of 31 December 1989, the FND shares will draw a minimum annual dividend, exempted from income tax, of 25 percent for each business year's real earnings.

Article 6. The FND shares cannot be negotiated until 31 December 1989. Thereafter, they can be negotiated and transferred, subject to existing stock market regulations.

Article 7. Private, closed social security institutions run by public enterprises; state of federal mixed economy companies; autarkies, including those of a special nature; and foundations recognized by the state will invest 30 percent of their technical reserves in FND 10-year maturity obligations with minimum earnings equivalent to Central Bank bonds.

Paragraph 1--The investment referred to in this article will be made in the following way:

A) A third by 30 October 1986;

B) An additional third every 4-month period according to provision in A) until completion.

Paragraph 2--The National Monetary Council will have to adjust the distribution of the technical reserves of the closed social security institutions to the provision in this article.

Paragraph 3--The National Monetary Council can alter the terms of investments to be made under provision of this article.

Article 8. The FND can transfer part of its assets.

Article 9. The National Development Fund, operating under the Finance Ministry, will be administered by an Executive Secretariat.

Paragraph 1--The Economic Development Council (CDE) will set guidelines for the FND operations and will approve its budget.

Paragraph 2--The Planning Secretariat of the Presidency will prepare the FND budget, with due regard to available resources and the Global Expenditure Program (PDG).

Paragraph 3--The provisions of Article 4 of Decree 84128 of 20 October 1979 will apply to the FND investment in the state enterprises.

Article 10. To complement the Economic Stabilization Program established by Decree-Law 2284 of 10 March 1986, a refundable tax is instituted to temporarily absorb excessive demand.

Single paragraph--The refundable tax will be levied on consumers of alcohol and gasoline for motor vehicles, as well as on the purchase of passenger cars, small trucks, and vans.

Article 11. The refundable tax to be collected is equivalent to:

I. 28 percent of the value of gasoline and fuel alcohol consumed;

II. 30 percent of the purchase price of new vehicles and 1-year-old used vehicles;

III. 20 percent of the purchase price of vehicles older than 1 but not passed 2 years old;

IV. 10 percent of the purchase price of vehicles more than 2 years and up to 4 years old.

Article 12. The refundable tax on car fuel consumption will be collected, along with the amount of the purchase, by the refining and distributing companies and turned in within 15 working days.

Article 13. In the sales of passenger cars or small trucks or vans, the refundable tax will be collected at the time of purchase, before applying for a license or transferring the title.

Paragraph 1--The seller will retain a copy of the refundable tax voucher and will be jointly responsible with the buyer, for payment of the tax.

Paragraph 2--Transit authorities will file a copy of the refundable tax voucher at the time of transference of title.

Paragraph 3--The Federal Revenue Secretariat will periodically publish the price of used vehicles upon which the refundable tax is to be collected.

Paragraph 4--The refundable tax instituted by this article will not be collected in the following instances:

a) purchase of vehicles more than 4 years old;

b) transfers in guarantee; [na alienacao fiduciaria em garantia];

c) cases specified in Resolutions from the Finance Ministry.

Article 14. The refundable tax instituted by this Decree-Law will be levied on transactions taking place between the date of its publication and 31 December 1989.

Article 15. The refundable tax levied on the purchase of vehicles will be deposited with the federal revenues offices through a document to be specified in a resolution by the executive branch.

Single paragraph--The value of the refundable tax will be deposited in the Central Bank for safekeeping.

Article 16. The refundable tax will be repaid on the last day of the third year after it was collected. It will be repaid with the nominal FND shares created by this Decree-Law.

Paragraph 1--The amount repaid as refundable tax on gasoline and fuel alcohol consumption will equal the average consumption per vehicle for the year the tax was collected plus a profit equivalent to the interests earned in savings accounts. The average consumption will be estimated by the Federal Budget Secretariat.

Paragraph 2--The refundable tax on the price of passenger cars, small trucks, and vans will earn a profit equivalent to that of savings accounts.

Article 17. Failure to pay all or part of the refundable tax will automatically mean that the tax will be collected under the terms of Article 39 of Law 4320/64 and Article 1 of Decree-Law 1735/79, plus a 100-percent fine.

Article 18. Article 7 of Decree-Law 2284 dated 10 March 1986 is hereby changed to read as follows: "As of the date of enforcement of this decree-law, all monetary readjustment clauses will be forbidden, under penalty of being considered null and void. Obligations and contracts for periods of 12 months or longer may include readjustment clauses provided they are based on sectorial price indexes and on the fluctuation of National Treasury Bonds--OTN's."

Article 19. The following paragraph is hereby added to Article 12 of Decree-Law 2284 dated 10 March 1986: Single Paragraph: The Monetary Council may establish new savings systems with balances that will not be adjusted for inflation."

Article 20. The FDN regulations will be established by the President of the Republic.

Article 21. The finance minister shall see that the terms of this decree-law are met.

Article 22. This decree-law will come into force on the day it is published.

Article 23. All decrees that oppose the current decree-law are hereby repealed.

/8309
CSO: 3342/159

FEDERAL BUDGET ALLOCATIONS FOR S&T IN 1986

Brasilia ORCAMENTO DA UNIAO PARA CIENCIA E TECNOLOGIA in Portuguese 1986 pp 23-27

[Excerpt] Ministry of Science and Technology, National Council for Scientific and Technological Development. "1986 Budget of the Union for Science and Technology."

Consolidation of Outlays by Projects (in thousands of cruzeiros)

Numerical Order

			Treasury Funds	
Code	Item	Ordinary	Associated	Total
1036	Aerospace Research and Development	125,887,700	116,801,500	242,689,200
1059	Development of bibliographic documentary information	2,066,000		2,066,000
1261	Studies and plans on interior roads	1,000,000		1,000,000
1266	Studies and plans for maritime ports and terminals	1,000,000		1,000,000
1273	Research on new energy sources--Ipiranga Project	1,636,000		1,636,000
1332	Incentive to educational studies and research	4,082,800		4,082,800
1599	Improvement of the national weather network	25,542,000	3,360,000	28,902,000
1600	Agricultural-livestock research development	200,000		200,000
1713	Studies and plans for the highway system	1,190,000		1,190,000
1738	Promotion of fishing in impoundments	200,000		200,000
1759	Share of the Union in the capital of NUCLEBRAS	445,000,000		445,000,000
1776	Share of the Union in the capital of the studies and plans financing agency	200,000,000		200,000,000
3074	Complementation of radar images in Brazil	70,000,000		70,000,000
3091	Program of the Amazon-Pol-Amazon region of Agricultural livestock corridors		20,000,000	20,000,000

3374	Construction and installation of the National Metrology Laboratory	127,694,000		127,694,000
3402	Special program for the geoeconomic region of Brasilia	1,440,000		1,440,000
3404	Program for development of scrublands-Polocentro	19,800,000		19,800,000
3604	Development of laboratory system for livestock support	40,388,000	15,120,000	55,508,000
5011	Equipment for teaching and research		157,851,600	157,851,000
5019	Basic research in materials area	200,000		200,000
5048	Fishing development	110,278,600	95,000,000	205,278,600
5193	Development of laboratory system for plant support	28,920,000		28,920,000
5254	Special program for the development of the state of Mato Grosso (PROMAT)	1,816,000		1,816,000
5310	Studies and research in the industrial sector	2,386,500		2,386,500
5317	Development of water resource and hydrological research	10,000		10,000
5342	Training of human resources for the nuclear sector (PRONUCLEAR)		10,287,571	10,287,571
5396	Studies and research	33,500		33,500
5457	Support for plans for the technological development of the industrial sector	22,557,400		22,557,400
5524	National plan for fighting violence and crime	1,155,000		1,155,000
5543	Science and technology infrastructure	53,643,185	2,522,000	56,165,185
5554	Integrated program for the development of the northwest of Brazil-POLONOROESTE		140,000,000	140,000,000
5572	Dissemination of technology suitable for the semiarid region	2,840,000		2,840,000
5629	Applied research in the area of materials	1,063,500		1,063,500
5630	Development of military equipment	65,124,000		65,124,000
5631	Dissemination of information on science and technology	6,000,000		6,000,000
5632	Performance of trials and tests	4,000,000		4,000,000
5633	Learning about the environment	80,000		80,000

5634	Postgraduate studies for military engineers	920,000		920,000
5635	Normatization and standardization	260,000		260,000
5636	Registry of trademarks and patents	100,000		100,000
5668	Complete Brazilian Space Mission--COBAE	1,340,000,000		1,340,000,000
5740	Installation and expansion of ecological stations	1,155,000		1,155,000
5761	Incentive for the production of natural rubber PROBOR III		60,115,000	60,115,000
IBGE/DI/DERIN	Sectoral program for ocean resources	20,700,000		20,700,000
7020	Antarctic mission	31,700,000		31,700,000
7037	Program for integrated rural development of the state of Amazonas (PDRI/AMAZONAS)		20,000,000	20,000,000
7115	Creation and dissemination of technologies for the agricultural-livestock sector	805,632,930		805,632,930
7116	Use of potentially tillable lands	205,147,940		205,147,940
7117	Strengthening the structure of support for the performance of agricultural-livestock research	175,575,200	332,824,800	508,400,000
7127	Development of industrial technology	7,595,200		7,595,200
7231	Regional program of support for the small rural producer-Project Northeast		1,618,000,000	1,618,000,000
7296	Program of scientific and technological development for the northeast (including financing costs)		100,000,000	1,000,000,000
7345	Research in the areas of doctrine and personnel	756,000		756,000
7359	Technological development and extension for the conservation of energy	86,000,000		86,000,000
7360	Technological development of biomass	14,800,000		14,800,000
7361	Technological development of coal	17,000,000		17,000,000
7367	Energy mobilization plan under SEPLAN [Secretariat for Planning]/PR	284,273,800		284,273,800

7368	Program for conservation of energy in industry-CONSERVE	300,000,000		300,000,000
7369	Program of support for scientific and technological research	420,000,000	336,000,000	756,000,000
7375	Program for technological research and development in the area of energy	10,000,000		10,000,000
7376	Program of technological dissemination in the area of energy	4,200,000		4,200,000
7377	Program of the Ministry of Agriculture on biomass	1,825,000		1,825,000
7378	Program for forestry inventory	2,000,000		2,000,000
7381	Industrial technology on the conservation and use of alternate fuels	25,744,200		25,744,200
7383	Basic system of stocks/piles--Capivari washer	21,200,000		21,200,000
7390	Bottom of the barrel	184,000,000		184,000,000
7391	Western frontier	50,000,000		50,000,000
7398	Development of floating equipment		126,001,400	126,001,400
7416	Technical-operational evaluation	2,575,000		2,575,000
7418	Development and dissemination of research in the areas of philology and human sciences	5,657,500		5,657,500
7497	Installation of the Commission for Incentives to Scientific and Technological Development	325,000		325,000
7498	Installation of centers for technological application	526,000		526,000
7499	Support for scientific and technological institutions	1,222,000		1,222,000
7500	Institutional support for state plans in science and technology	1,356,000		1,356,000
7501	Technological modernization of the industrial sector	502,000		502,000
7519	Program for saving diesel and lubricants--PRODEL	2,000,000		2,000,000
7526	Conservation of electrical energy	100,000,000		100,000,000
7527	Electrothermal steam	20,000,000		20,000,000
7528	Gas distribution system of the northeast region	70,000,000		70,000,000

7529	National program for the use of natural gas in urban collective transportation--GASURB	6,600,000		6,600,000
7531	Studies and research on electrical energy	39,000,000		39,000,000
7532	Studies and research on solar energy	8,000,000		8,000,000
	TOTAL	5,645,870,626	3,143,596,300	8,789,466,946

Consolidation of Outlays by Activities (in thousands of cruzeiros)

		Numerical Order	Treasury Funds	
Code	Item	Ordinary	Associated	Total
2001	High-level advisory service	26,106,000		26,106,000
2002	Advisory service related to affairs of a legal nature	900,000		900,000
2003	Advisory service related to national security	837,000		837,000
2005	Planning coordination	10,721,000		10,721,000
2010	Personnel administration	2,820,000		2,820,000
2011	Financial and accounting administration	7,186,000		7,186,000
2013	Coordination of administrative services	88,990,000		88,990,000
2015	Payments to retired personnel and pensioners	3,217,000		3,217,000
2023	Training of human resources	11,413,700		11,413,700
2027	Amortization and costs of financing	208,056,900		208,056,900
2038	Participation in international agencies	32,380		32,380
2060	Contribution for the creation of the patrimony of the public servant	8,000,000		8,000,000
2065	Data and information processing services	1,944,000		1,944,000
2148	Promotion and orientation of technological development	48,693,400		48,693,400
2169	Coordination of the national nuclear energy policy	325,370,177		325,370,177
2172	Nuclear safety	63,926,859		63,926,859
2228	Coordination and supervision of technological policy	30,430,700		30,430,700

2245	Dissemination of information on science and technology	44,795,00		44,795,000
2268	Research development	372,798,771		372,798,771
2292	Operation of research and development agencies	450,000		450,000
2434	Technical assistance to coffee growers	8,157,000		8,157,000
2437	Development of research and experiments in the coffee-growing sector	2,216,100		2,216,100
2463	Maintenance of weather services	36,170,900		36,170,900
2482	Studies related to national security	28,873,000		28,873,000
2543	Environmental preservation	2,882,000		2,882,000
2578	Maintenance of coordination of higher level personnel improvement	10,807,600		10,807,600
IBGE/DI/DERIN	Coordination of the media	808,000		808,000
4043	Zootechnical improvement	4,745,400		4,745,400
4049	Coordination of the soil and water conservation policy	3,919,500		3,919,500
4063	Studies and research in the sector of saltworks	1,000		1,000
4076	Coordination and oversight of the national informatics policy	48,745,000		48,745,000
4096	Brazilian technical assistance and rural extension system	636,637,000		636,637,000
4364	Coordination and maintenance of administrative services	314,685,000		314,685,000
4407	Coordination of technical assistance and rural extension	86,816,000		86,816,000
4424	Scientific development and training of human resources	463,216,400		463,216,400
4441	Coordination and operation of the National Agricultural Engineering Center	22,072,500	12,400,000	34,472,500
4615	Improvement and advanced military studies	4,500,000		4,500,000
4658	Granting of study and research scholarships	322,311,000		322,311,000
4712	Research on water resources	250,000		250,000

4720	Agricultural information and documentation	8,060,000		8,060,000
4731	Biomedical research	8,000		8,000
4740	Research on traffic safety	540,000		540,000
4787	Coordination and quality control of alcohol at an industrial level	2,353,400		2,353,400
6006	Placing in operation the National Network of Public Health Laboratories	11,328,231		11,328,231
6036	Collection and dissemination of scientific and technological information	2,880,200		2,880,200
6088	Development of competence in the nuclear area	45,480,600		45,480,600
6089	Research and development in the nuclear field	29,648,293		29,648,293
6094	Putting into operation the actions in technical-scientific documentation	23,787,742		23,787,742
6097	Health watch over drugs, medicines, food and correlated products	27,003,835		27,003,835
6116	Contribution to the special fund for educational studies and research		15,000	15,000
6152	Health policy and planning studies	1,320,203		1,320,203
6184	Studies and research for transport planning	103,085,000		103,085,000
6211	Promotion of basic research	260,852,000		260,852,000
6213	Coordination and supervision of the National Scientific, Technological Development System	170,087,000		170,087,000
6214	Maintenance of the Brazilian Physics Research Center	61,7220,00		61,722,000
6215	Maintenance of the National Observatory	43,235,000		43,235,000
6216	Maintenance of the Pure and Applied Mathematics Institute	32,960,000		32,960,000
6217	Maintenance of the Institute for the Amazon Region Research	100,189,000		100,189,000
6219	Maintenance of the Emilio Goeldi Museum of Para	31,805,000		31,805,000
6220	Maintenance of the National Laboratory for Scientific Computation	29,629,000		29,629,000

6229	Contribution to the fund for informatics activities		43,156,750	43,156,750
6232	Studies and research in the area of law	2,993,000		2,993,000
6234	Support for programs in science and technology	200,000,000		200,000,000
6237	Intensification of activity in cartography	22,000,000		22,000,000
6269	Studies and research applicable to the physical infrastructure of support for education, culture and sports	3,500		3,500
6277	Institutional support and promotion of postgraduate programs	138,653,000		138,653,000
6282	Studies on health policy and planning	490,000	16,800,000	17,290,000
6283	Description and analysis of threats and dangers to health	20,957,481		20,957,481
6284	Appropriate technology of processes and products	25,563,814		25,563,814
6285	Control and eradication of vectors and breeding places	3,153,780		3,153,780
6288	Basic biomedical studies	63,322,465		63,322,465
6289	Operation of technical support services	14,302,785		14,302,785
6308	Technical-scientific research on safety, hygiene and work medicine		1,380,000	1,380,000
6310	Operation of ecological stations	2,985,000		2,985,000
6314	Contribution to the Fund for the Protection of Technology		56,400,000	56,400,000
6327	Coordination and maintenance of education	795,446,100	17,072,300	812,518,400
6328	Coordination and maintenance of research	1,235,409,100		1,235,409,100
6329	Coordination and maintenance of extension	50,000		50,000
6361	Coordination of the cooperative system of agricultural-livestock research	222,533,630		222,533,630
6372	Coordination and quality control of sugar at an industrial level	1,298,300		1,298,300
6374	Development of agricultural techniques for the improvement of sugarcane --PLANALSUCAR	115,474,900		115,474,900

6393	Contribution to the fund for the advanced training of high-level personnel		1,000	1,000
6438	Development of technology	21,992,100		21,992,100
6454	Coordination of the science and technology program	6,000,000		6,000,000
6455	Development and dissemination of research in social and human sciences	13,249,400		13,249,000
6456	Handling and dissemination of cultural, scientific and technological information	9,751,700		9,751,700
6481	Execution of National Policy on Metrology, Standardization and Industrial Quality	5,268,000		5,268,000
6482	Coordination and maintenance of National Policy on Metrology, Standardization and Industrial Quality	56,907,900		56,907,900
6483	Maintenance and operation of the National Metrology Network	6,828,500		6,828,500
6484	Maintenance and operation of the National Metrology Laboratory	12,881,200		12,881,200
6493	Coordination and maintenance of the National Council on Informatics and Automation	200,000		200,000
6494	International cooperation on science and technology	3,217,000		3,217,000
6495	Coordination of activities on biotechnology	13,064,000		13,064,000
6496	Strategic planning on new technologies	1,391,000		1,391,000
6497	Studies and planning of scientific and technological policy	290,000		290,000
6498	Maintenance and operation of the Technical Center for Informatics	89,105,000		89,105,000
6503	Contribution to the National Fund for Scientific and Technological Development	760,000,000		760,000,000
6511	Granting of study scholarships for master's, doctor's and post doctorate degrees	384,549,000		384,549,000
6522 IBGE DI DERIN	Contribution to the General Cocoa Fund--Postgraduate education	2,320,000		2,320,000

6526	Implementation of the National Plan for the Environment	594,000		594,000
6527	Development of research in space and atmospheric science	5,780,000		5,780,000
6528	Development and applications of space technologies	4,200,000		4,200,000
6727	Amortization and costs of financing	39,773,100		39,773,100
	TOTAL	8,542,475,546	147,225,050	8,689,700,596

8998
CSO: 3699/17

SYNTHETIC PIG IRON DEVELOPMENT IMPROVES COMPETITIVENESS

Sao Paulo ISTOE in Portuguese 28 May 86 pp 40, 41

[Article by Rosmeiry Tardivo: "Forge of Inventions"]

[Text] Until 1980, the Tupy Smelter, the largest private maker of cast iron in Latin America, existed with the fear of a sudden scarcity of its basic raw materials: pig iron and steel scrap, whose producers are concentrated in Minas Gerais more than 1,000 kilometers away. "Any mention of a strike in that sector, or news of an interruption on the highways, or problems of transportation threw us into a panic," recalls the industrial and development manager of the company, engineer Luiz Montenegro Chaves Filho, 41 years of age.

The solution was the activation of scientists and technicians of the Research and Development Center, an institution that Tupy created in 1973, for which purpose it allocated funds on the order of $4 million (nearly 55.2 million cruzados), specifically for resolving problems of that nature. The result could not be better. After 5 years of experiments in laboratories, researchers presented "synthetic pig iron," a product made of iron oxide baptized with the name of "self-reducing pellets, which is chemically identical with natural pig iron and with properties that make it a substitute for pig iron itself and for steel scrap. In August Tupy will inaugurate an experimental unit for the manufacture of 10,000 tons per year of synthetic pig iron in which the technical secrets for the installation of the first industrial unit will be discovered. It will be installed in Imbitube, in the southern part of Santa Catarina, 260 kilometers from Joinville in the valley of the Itajai River, where the company headquarters is located. It will have investments on the order of $9 million (or 124 million cruzados) and will begin producing 64,000 tons of synthetic pig iron per year as of 1987, which practically means self-sufficiency.

The Research and Development Center is installed in an area of 22,000 square meters and receives 0.6 percent of the revenues of the company (about 363 million cruzados in 1985). It is equipped with laboratories for metallography (for studying the structure of metals), mechanical testing (for testing the strength of metals) and for chemical analysis. It also contains a complete experimental smelter. Cast iron is an alloy of iron and carbon (with a higher carbon content than that found in steel) much used in the making of parts for automobiles, ships and airplanes. In their fabrications for replacing pig iron (iron obtained directly from the blast furnace containing impurities), researches sought to use powdered iron oxide but collided with its characteristics as an environmental pollutant. They then mixed that powder with a quantity of coal or charcoal and added binder materials (lime or cement) that allowed aggregation of the substance and its transformation into pellets. These pellets have a composition approximately that of natural pig iron but still not identical with it. Natural pig iron has 95 percent iron, while the pellets in this phase have only 60 percent. To reach that higher composition, researchers place the pellets in a special furnace developed by them, which first allows the emanation of the products used for pelletizing (coal, charcoal and binders), and liquifies the rest. Cast iron is made, therefore, from that liquid obtained from the pellets plus alloying irons, without pig iron and steel scrap. "The furnace has an important role in production because it allows the purification and melting of the pellets," explains Pedro Henrique Carpintelli Cotas, 32, a metallurgical engineer. The project underwent a geometrical modification and received an air injection system to increase the temperature in the chamber where the pellets will be melted. "As of the development of this technique, it is possible to use any industrial waste in powdered form," explains Carpintelli.

There are other important projects, such as railway support plates, which until 1982 were only made with rolled steel because it was the only metal with enough strength for use in that work. In 1982, however, engineer Montenegro developed a process for treating cast iron which gave it the same capabilities as rolled steel, with the difference of being much cheaper. Cast iron shows some longitudenal striations in its structure that become subject to breaking when it is subjected to certain load stresses. By means of mixing with some components, those striations were transformed into "nodules," which insure greater strength. Since 1982 the company has sold 4 million of those plates, the largest number to the Carajas railroad. However, the Research Center does not function only for Tupy. Engineer Wilson Guessner, 34 years of age, present manager of the center, says that many technologies are passed on to customers or developed to fill orders from any competitor in the sector. "All that increases our competitiveness in the market," he explains. himself has a patent recorded in his name in the area of molds. Through chemical compositions, he managed to give greater strenth to clay, improving molds, preventing the distortion of cast iron parts. "To achieve results such as these, it is necessary to give researchers and technicians industrial experience," declares Montenegro Chaves, "and that can only be done by industry."

8908
CSO: 3699/17

PDC'S VALDES ANNOUNCES CREATION OF BROAD COALITION

PY190142 Santiago EL MERCURIO in Spanish 15 Jul 86 p C3

[Text] Gabriel Valdes, president of the Christian Democratic Party [PDC], yesterday announced the creation of a broad coalition of movements and political parties, most of them signatories of the National Accord, aimed at reaching a "profound understanding" and at making a proposal to solve the country's problems.

"The time has come to make a proposal in accordance with the current serious situation," said the opposition leader upon announcing the coalition of political parties.

Valdes, accompanied by Jaime Castillo Velasco, Jose Ruiz Di Giorgio, and Eugenio Ortega, yesterday gave a press conference in order to discuss statements made by President Pinochet in the 8th Region.

Valdes read a 4-page statement and then answered questions from reporters. He said that the comment made by Pinochet in Concepcion is "a very serious political event" that directly affects the life of the nation and the future of Chileans.

Valdes said that Pinochet "made public his desire to govern for life. He rejected the constitutional proposals for a transition in the medium term made by former President Alessandri and other political figures after he announced that the military government was only temporary."

The PDC president also stated: "We achieve nothing by offering political formulas as long as there is no willingness to seek a solution to the crisis as soon as possible."

Valdes added that "if there were such willingness, we would be ready as usual to talk to any serious and responsible person, civilian or military, who inspired the necessary confidence to call for a transition that would lead us to free elections so that the will of the people could emerge."

After referring to statements by former President Eduardo Frei regarding the current government, its permanence in power, and the nature of the plebiscite of the 1980 Constitution, Valdes pointed out that "the government of personel power never wanted to hear the country's democratic expressions."

Valdes then summarized the proposals of the Democratic Manifesto, the National Accord, and the Civic Assembly which he said are "based on agreement and a peaceful search" for democracy. He regretted that the proposals were "rejected or ignored."

Valdes emphasized that the current issue is "either dictatorship or democracy. The struggle of all Chileans united in a great peaceful movement for democracy is nowadays more legitimate."

Valdes also pointed out that civilians have lived with the Armed Forces ever since the founding of the republic and that he hopes that "the Armed Forces will choose the path of rapprochement with the people. We cannot allow the current division to grow deeper and violence to destroy what was built in 150 years of efforts."

Valdes also stated that the PDC will not relinquish "its democratic ideals" and that it will continue to make efforts to recover democracy. He expressed support for the Civic Assembly and for Juan Luis Gonzalez, who has been indicted.

Valdes then said that the country hopes to learn the opinion of the Armed Forces on the current situation.

Valdes then said that the beginning of bilateral talks with the National Party is "very positive" and that the PDC will reply to the National Party proposals this week. He indicated that the objective of the new coalition of movements and political parties that is going to emerge from the signatories of the National Accord is "to jointly move ahead with the Democratic Alliance to create a uniform political proposal to give the people the clear conviction that there is leadership to govern the country and that there is a political will among the parties to take responsibility for solving the country's problems."

Asked what political parties are going to make up the coalition Valdes said: "We are studying that and we hope to reach concrete agreements with the parties that basically include the signatories of the National Accord."

Regarding the comments by Enrique Silva Cimma, the Democratic Alliance president, that he is willing to talk with President Pinochet, Valdes said that he had talked with Silva yesterday, and Silva had told him that "his words represent a willingness to do everything possible, even what is most difficult, to recover democracy." Valdes added that "certainly after Pinochet's statement there is [word indistinct] possibility for any dialogue."

Asked about the political proposal by PDC member Andres Zaldivar, Valdes said it is a proposal to expand the immediate measures of the National Accord. "Therefore it is very important and valid. If there is no willingness to begin dialogue, however, the proposals would be of no use."

Valdes also referred to the PDC links to the Popular Democratic Movement, regarding the comment by leftist leader Jose Sanfuentes, who said that the PDC should explain why the contacts were so "private."

Upon evaluating those contacts, Gabriel Valdes indicated that "we have held and will continue to hold talks to recover democracy with all the political parties we believe useful."

He stated that the talks were never intended to change the PDC line of conduct. He added: "The talks will be either public or private in accordance with the political reality of the country and our own interests. This is a valid principle for all political parties including the Communist Party. Our position in this regard is clear. We have not had and we do not have any pacts other than those with the Democratic Alliance, our commitments with the National Accord, and our support for the Civic Assembly."

Valdes indicated that it is in the social areas and the Civic Assembly "where the agreements among Chileans who have similar activities, professions, and interests take place. We believe that there is no misunderstanding and anyone insisting on this issue, meant to confuse us, deserves to be called an idiot.

/8309
CSO: 3348/710

BRIEFS

STUDENT DEMONSTRATIONS--More than 70 students were arrested in Santiago, Chile, when the Chilean regime's police dispersed protest demonstrations in three university centers in this capital. Approximately 30 of the arrested students are Law School students at the University of Chile, where the demonstrators were demanding freedom for Gonzalo Rovira, vice president of the Federation of University Students, who has been in prison for the past 3 weeks. Similar repressive actions were carried out at the Metropolitan University of Education Sciences and at the Professional Institute in Santiago, Chile, where the students were also demanding more funds for those education centers. A peaceful demonstration is scheduled for tomorrow, Thursday, in this capital, to protest against the violence and the crimes committed by General Augusto Pinochet's regime. The demonstration was called by the Chilean movement, Women for Life. [Text] [Havana International Service in Spanish 2300 GMT 23 Jul 86] /8309

HAVANA CITES COMMUNIST LEADER--Volodia Teteilboim, member of the Secretariat of the Communist Party of Chile, has said in Moscow that this year could prove decisive in the struggle against the dictatorship of the people, because major actions have been undertaken to foster unity among opposition forces. [Text] [Havana International Service in Spainsh 2300 GMT 23 Jul 86] /8309

JUDGE ACCUSED OF BIAS--The attorney of the two young Chileans who were set on fire by repressive police agents of the Chilean regime, accused the judge who released most of the policemen who were arrested during the criminal incident on 2 July, of being biased. Yesterday the civil judge Alberto Echavarria decided only to arrest Army Lieutenant Pedro Fernandez and to release the other two officers and five noncommissioned officers. In addition to this, the judge declared himself incompetent and he turned over the investigations to military justice. The military officials and 17 other arrested persons who were released last Monday, were accused of setting Rodrigo Rojas and Carmen Quinta on fire. Rojas died several days later and Quinta is still in the hospital in critical condition. A last minute report says that more than 200 young persons were arrested by policemen who burst into three universities in Santiago, the capital. The students demanded the release of Gonzalo Rovira, vice president of the University of Chile student federation, who was arrested 3 weeks ago. [Text] [Havana International Service in Spanish 1600 GMT 24 Jul 86] /8309

CIVIC ASSEMBLY COORDINATOR--Dr Ricardo Vacarezza, president of the Santiago, Chile, medical association, was installed as coordinator of the National Civic Assembly [ANC] on Friday. On that day Vacarezza stated that the ANC will continue to enforce its policy of patriotic civil disobedience, and he declared 25 July a day of solidarity with the ANC leaders whom the Pinochet regime put behind bars more than 10 days ago. The ANC achieved its first major victory during a meeting it held yesterday, when the official adherence to the ANC of the Truck Owners Confederation was announced. Its president, Julio Lagos, was made a member of that opposition group's directors council. Other dispatches cite official sources, who confirmed reports that 25 Chilean Army men participated in the burning incident that killed the youth Rodrigo Rojas and severely burned Carmen Quintana, who remains in a coma. Brigadier General Carlos Ojeda, chief of the Santiago military zone, said that the accused--3 officers, 5 noncommissioned officers, and 17 enlisted men--have been placed under court orders. Rodrigo Rojas and Carmen Quintana were sprayed with gasoline and set on fire on 2 July, during an antigovernment protest. [Text] [Havana International Service in Spanish 1600 GMT 19 Jul 86] /8309

CSO: 3348/710

UP REJECTS COOPERATION WHILE 'BIPARTISAN HEGEMONY' EXISTS

Conditions for Talks with President-Elect

Bogota EL TIEMPO in Spanish 26 Jun 86 p 7-A

[Text] The Patriotic Union asserted yesterday that it will not cooperate with Virgilio Barco's government so long as the "bipartisan hegemony exists and there are no real economic and social reforms," while at the same time asking for the mayor's offices of those localities where it received a majority vote in the recent elections.

Spokesmen for Patiotic Union responded in this manner to statements made by Virgilio Barco to the effect that he is interested in talks with that political group on the possibility of its participating in the government.

Carlos Efren Agudelo, one of the vice presidents of the UP's Executive Directorship, told EL TIEMPO yesterday, "We hope that Barco will keep his promise of localizing the popular election of mayors by handing over such positions to the majority groups in the respective regions."

He explained that this does not mean cooperating with the government "but rather the exercise of democracy by having the majorities recognized as political forces."

He said that Patriotic Union is interested in talking with the president-elect to obtain first-hand information about the new chief executive's position on the possibility of political cooperation.

"For the moment, we personify the real opposition to bipartisanship," he said, "and only to the extent that Barco's government breaks with bipartisan hegemony and makes real economic and social changes will we rethink our position on cooperation."

National Plenum

For its part, Patriotic Union held the fourth plenum of its National Directorship during which the new Executive Committee was elected, comprising Jaime Pardo Leal, president, and Betty Camacho, Carlos Efren Agudelo, and Braulio Herrera, vice presidents. During that meeting, the UP established the following points as those which it should pursue in the future:

1. Suppression of Article 120 of the Constitution.

2. Suppression of liberal conservative parity in the justice and electoral sectors and the Foreign Affairs Committee.

3. Reform of Articles 28 and 121 of the Constitution.

4. Establishment of national districting which will permit the representation of minorities in Parliament.

5. Democratic regulations for the popular election of mayors and local referendums.

6. Suppression of the ban on the convocation of a referendum or national plebescite.

7. Democratization of access to and management and surveillance of TV and radio.

8. In the social sector, Agrarian and Urban Reform are of primary importance.

Patriotic Union will simultaneously promote a broad parliamentary front; to secure approval of these proposals in Congress, it will show the need for presenting them for approval by plebescite in the event they are blocked by the bipartisan majorities.

UP's Dilemma

Bogota EL TIEMPO in Spanish 14 Jun 86 p 4-A

[Editorial: "The UP's Dilemma: Between the Voting Booth and the Rifle"]

[Text] Now that liberal euphoria over victory and conservative gloom over defeat have dissipated, it is time to think about other aspects of the electoral process which up to now have been overlooked but which undeniably will have a great impact upon the nation's political future. Specifically, we are referring to the excellent performance of Patriotic Union in the recent parliamentary and presidential elections. The coalition of leftist groups, headed by the political representatives of the FARC, received a considerable number of votes which are even greater in terms of political power if we take into consideration the representational percentage obtained in the collegial entities.

The progress of the UP per se constitutes a delegitimization of the subversive struggle. Recourse to violence has been advanced as the ultimate alternative of political confrontation vis-a-vis a regime alleged to be exclusive and discriminatory, in which there are no guarantees for forces different from the traditional forces. This diagnosis, which is the basis of twisted guerrilla logic, has been totally discredited by the electoral progress of the Left and the explicit testimony of the leaders of subversion to the effect that they have fully enjoyed all of the guarantees possible, in equal measure, and have freely engaged in their recruitment activities. With their participation in the elections, the guerrillas have lost their reason for being and have ratified the right of the Colombian State to defend a fair, legitimate, and generous democracy.

For the subversives, the electoral results represent a historical challenge. The guerrilla sector finds itself confronted by the dilemma of promoting its ideology through the ballot box or retreating to the barbarism of rifles. In any case, it is clear that to attain political power, votes are more effective than bullets, institutional channels are more effective than the obscure byways of crime and illegality. The paradox which should not escape the leaders and defenders of the guerrilla sector is that in 1 year of conventional campaigning they have made more progress than in 30 years of fratricidal violence. In consideration of these facts, the moment of decision has arrived--and we hope for the good of the country the guerrillas will take the proffered hand and legal channels. To opt for continuation of violence would be a return to the past and a failure to recognize the will of the country's majorities, including that of the leftist followers themselves, who have clearly stated that they will not support more bloodshed.

But one thing that should be clear to the comandantes who are at the point of becoming politicians and to the active leaders of subversion is that the nation is not going to permit an indefinite double morality in which they simultaneously have the benefits of legality and the shady dividends of armed coercion. The use of political achievements as the basis for military victories, in accordance with purest Leninist doctrine, would not only lead to the conviction that the only possible means of facing up to the problem is recourse to the Armed Forces of the Republic, but also would leave the Left in total discredit, frustrating its current and potential electoral audience and leaving it without the most minimal credibility.

8143/12851
CSO: 3348/661

5 PERCENT ECONOMIC GROWTH, 26 PERCENT INFLATION RATES PROJECTED

Bogota EL TIEMPO in Spanish 24 Jun 86 p 8-B

[Text] In 1986, national production will increase by approximately 5 percent; unemployment will experience a slight downward movement; and inflation will be about 26 percent, as will the rate of devaluation, experts consulted by the magazine ESTRATEGIA have predicted.

This study of economic prospects, which the magazine has conducted for the last 5 years, envisions "a very good year," although it warns that there will be shortfalls in private construction, public investment, and the generation of jobs.

The study prepared by the experts, which in many cases habitually serves to orient various sectors of national activity, is set forth in the following report by the above-mentioned magazine:

The economic outlook for this year, in light of the adjustment arranged in the foreign sector and of the new situation on the world coffee market which continued into the beginning of 1986, as is obvious, will generate a change in the country's macroeconomics and in the goals of economic policy. These factors, and the change in government, explain the delay in the publication of this article, which is usually presented in the May edition of the magazine.

The experts expect this to be a very good year. They think the trend toward lower interest rates will continue and predict a favorable climate for private investment and an easing off in the availability of credit sector. In short, according to the futurologists, we are beginning a new cycle of prosperity, leaving behind the hard times of the past 5 years. They feel that it is the foreign sector which will contribute to the growth of the GDP; as for private construction and public investment, these activities will lag the most. According to the economists interviewed, it will be necessary for the administration in a few weeks to initiate aggressive policies to generate jobs and to control possible runaway prices caused by the greater availability of money produced by the coffee bonanza, a factor which has contributed to the less-than promising prospects for monetary behavior in 1986.

According to the experts, one serious problem this year, because of the shortfalls in the public investment and construction sectors, will be impairment of the generation of jobs process and for that reason this factor has to be one of the principal sources of concern for economic policy.

Recovery

It is hoped that by the end of this year, the economy will have attained a growth rate ranging from 3.82 to 5.6 percent and in all likelihood will be 4.8 percent. This rate is similar, albeit somewhat higher than the figure hoped for by the National Planning Department. To reach these increased production goals it will be necessary, in the light of favorable external factors, such as the situation on the world coffee market and a probable rise in the rise of oil to $19 per barrel, for us to attain an acceptable level of macroeconomic management. The experts feel that the decisive factor in greater economic growth is higher coffee revenues which will generate an important expansion of internal demand that should be channeled principally in the direction of national production. But it is also necessary for the financial sector to recover from its current prostrate condition, which seems highly improbable, given the negative results being reported by most financial institutions. One expert believes that if there is the possibility of a deep recession in Venezuela and Ecuador the growth of the GDP would be impaired; but even so, it would be over 4 percent.

According to the experts, the important conclusion is that the conditions for a favorable evolution of the economy are present, and the results will depend basically on the quality of the macroeconomic policy and the resolution of one of the problems inherited by the present government: the financial crisis. The new circumstances on the world coffee market are the decisive factor of our present cloud-free economic horizon; therefore, the projections reported here are tied to the permanency of the shortage of coffee beans on the world market. Thus, the element which casts the greatest uncertainty upon the projections is the variation in the world price of coffee.

Monetary Prospects

The monetary prospects for this year suggest that money management will be one of the most critical aspects of economic policy. The economists predict a 31 percent increase in the money supply, a sharp increase that bodes ill for the stability of prices. For its part, the Planning Department feels that the M1 could increase by 29 percent. Both projections are compatible with an increase in the GDP of about 4.8 percent and with an inflation rate of 25 to 26 percent, which is most likely in the opinion of the futurologists.

The economists consulted by ESTRATEGIA were of the opinion that this prediction will become reality to the degree the government is able to avoid a money supply upsurge of 30 percent. In fact, for several weeks the government has been adopting a series of measures which are seeking to attenuate the pressure on the money supply, and the price levels are producing an increase in international reserves. According to statements made by the current manager of the Bank of the Republic at a recent ANIF meeting, money management is oriented toward the avoidance of an unbridled expansion of the money supply "through expansion of some nonmonetary liabilities and the execution of a dynamic operation and open market policy." As regards utilization of the reserves as an instrument of monetary regulation, "its flexibility is limited at present because of its high level and because of the dislocations produced in the systems various forms of liquidity, also affecting the stability of the financial intermediaries..." It remains to be seen whether what has been done and what can be done are enough so that the coffee bonanza will be a factor which feeds growth rather than inflation.

The prediction on the increase in money supply is also compatible with the expected change in gross reserves ($877 million), an expectation that is very close to the maximum figure which according to the Bank of the Republic it would be advisable to monetarize, estimated at $900 million.

According to the experts, if the conditions for an inadequate macroeconomic policy with a very large increase in reserves should present themselves--in excess of $1 billion--and if a percentage greater than 50 percent of the surplus coffee revenues is sterilized, the money supply could increase as much as 40 percent. This concern arises out of the excessive increase in money supply observed in the first few months of the year.

Where Are Prices Headed?

The economists believe that in 1986 inflation will be one of the main causes of concern for the economic authorities and think that, compared to last year, there will be a rise in the price index. For this year, they are projecting a rate of inflation between 25 and 26 percent, figures that are congruous with a scenario in which there is an expected reserves variation of approximately $900 million, an M1 increase of 30 to 31 percent, and adequate monetary management. Additionally, under these conditions of monetary expansion, it is necessary to have a greater supply of food products if the movement of prices is to be maintained within the predicted parameters [manejo].

A recent edition of ESTRATEGIA published our projections with respect to the next evolution of the price index, which is slightly above those of the experts, and it was stated that "domestic inflation will be greater than last year because this is a presidential election year and it has been demonstrated that in such years there is greater inflation; also we have a bonanza situation... What is more, for several months the impact of fiscal indiscipline and the government deficit will be felt, as the high rates of inflation in the months of January and February have demonstrated. That is how we arrived at an optimistic domestic inflation rate of 27 and 28 percent for 1986, compared to the 23 percent in 1985 (wholesale prices)."

Unemployment: Possible Decrease

The prognostication for unemployment presented by the futurologists indicates that the unemployment rate will decrease slightly until it reaches 12 percent at the end of this year. This decrease is moderate; therefore, jobs should be one of the principal concerns of the incoming government. In order for a drop in unemployment to materialize, it is necessary to maintain the existing economic trends; therefore, economic recovery should continue and generalize to all sectors and there should be a growth rate of 4.8 percent in the GDP. Thus the economists recommend that the new government implement policies favorable to private investment and that on the other hand a reasonable rate of public investment be maintained. To evaluate what could definitely happen, we must take into account that in order to decrease one percentage point of unemployment, the GDP has to increase by at least 2.5 percent with respect to last year's level.

Foreign Sector

The expectations of the economists consulted with respect to the evolution of the foreign sector in 1986 indicate a clear strengthening of the principal balance of payments categories. Foreign revenues, in the opinion of the experts, will total $5.768 billion, a sum that exceeds the 1985 figure by more than $1.5 billion. On the other side of the coin, an important increase in balance of trade payments is projected as the result of a relaxation in import restrictions, particularly as regards capital goods and production materials. Thus, in 1986 we can expect payments abroad of a total of $5.115 billion, which reflects a 20 percent increase compared to last year. According to these projections, the current account balance will have a surplus of $653 million, which added to net financing of $225 million will produce a reserves increase of about $900 million.

As can be seen, this year the specter of the foreign trade imbalance which was the principal headache of economic authorities in the past few years will be overcome.

A variable key to economic policy is the management of the exchange rate. In this sector the predictions of the economists indicate their belief that the economic authorities have learned the lesson of the end of the 1970's and are not prepared to allow a new revaluation of the money.

This conclusion is based on the experts' projection of the behavior of the exchange rate and the rise in prices. In general, we can expect that the rate of monthly devaluation will fluctuate between 1.8 and 2.5 percent in 1986, which will produce an annual rate of 21.6 to 25.5 percent. These good intentions, which are attributed to the economic authorities, could change if during the second 6 months of the year the inflation rate threatens to exceed 28 percent or if coffee prices collapse, which for exchange rate reasons would call for an additional speedup in the rate of devaluation.

8143/12851
CSO: 3348/661

BRIEFS

BANANA GROWERS PROTEST INVASIONS--The banana industry has notified the government that it will abandon cultivation in the sector because of the constant invasion of their lands, particularly in Uraba, Antioquia. A letter to this effect has been sent by the banana growers to the Ministry of Government and the Directorate General of Police reporting "the frequent presence of peasants from Cordoba Department headed by the Sincelejo branch of ANUC and supported by several trade unions in their de factor penetration of various plantations currently under cultivation on the pretext of occupying them because they have been abandoned." In their report they made specific reference to the banana plantations of Samarcanda, La Vitrina, San Jorge, and La Argentina, which have been invaded by numerous persons who have no connection with the production sector. In their letter to the national government the banana growers reported that "peasants from the region who work on agricultural activities other than banana cultivation, at the instigation of several organizations, are entering the plantations on Saturdays and holidays to place fully grown banana plants on lands that are clearly used for cattle raising so that they can later claim recognition of land improvement." [Text] [Bogota EL TIEMPO in Spanish 16 Jun 86 p 18-D] 8143/12851

CSO: 3348/661

JURAGUA NUCLEAR PLANT: SAFETY FEATURES, TECHNICAL TRAINING

Havana BOHEMIA in Spanish, No 20, 16 May 86 pp 57-66

[Round Table on "The Truth About Chernobyl and Nuclear Power" with reporters Jorge Petinaud Martinez and Orestes Gonzalez Quintana, and six Cuban specialists; first four paragraphs are introduction]

[Excerpts] The accident at the Chernobyl nuclear power plant and the coverage of it have captured the attention of readers in recent days.

For this reason BOHEMIA organized a round table and invited a group of comrades who are members of a commission that the Executive Secretariat for Nuclear Affairs (SEAN) created precisely to analyze reports on the aforementioned incident.

The panel consisted of engineers Alejandro Bilbao Alonso, a doctoral candidate in technical sciences and director of the Center for Radiation Protection and Hygiene; and Rosendo Rivero Cabrera, the director of the Nuclear Energy Information Center; Rafael Perez Isidron, a doctoral candidate in technical sciences, and Eduardo Fundora, both of whom are specialists with the SEAN; as well as Jose Nunez de Villavicencio, a doctoral candidate in medical sciences, specializing in radiobiology, and Pedro Gonzalez Bosque, a first degree specialist in internal medicine (treatment of radiation victims).

Based on the sufficient data that were available as this edition went to press, they all referred in detail to the characteristics of the accident and its consequences and, in passing, refuted the slanted publicity barrage unleashed by the United States against the Soviet Union and the Cuban nuclear program.

Reporter: Engineer Bilbao, how are accidents discovered and what triggers an alert in a nuclear power plant?

Bilbao: As in other branches of industry, a nuclear power plant is also susceptible to breakdowns due to technical construction or operational shortcomings or as a result of improper actions by personnel. This could trigger a chain of abnormal events, with a probable leak of radioactivity, that would prompt a given state of alert. This is why we must identify the differences between such eventualities.

For example, electric power could be cut off to certain components in the installation; pumps or valves could break, or procedures could be performed improperly, all possibly leading to an accident and, in the worst case, to an interruption in the necessary cooling of the nuclear fuel in the reactor and to a partial or total meltdown of its active zone, with a probable loss of human life, damages and harmful effects on the environment.

I should point out in this regard that the nuclear industry has an enviable record if we compare it with others. We can assert that the risk of radiation from accidents at nuclear power plants is very small; it is, in fact, quantitatively negligible if we compare it to the risks of other human activities.

To support this argument, I would mention that in the 1970's there were 212 accidents in which radioactivity was released into the atmosphere from water-cooled nuclear power plants in the United States, the country in which nuclear power is most highly developed. In only one of those cases was the detected leak near the permissible level for gaseous emissions from nuclear power plants.

Even in the worst accident in the history of nuclear power (before Chernobyl, where an assessment is pending), which took place in March 1979 at the second bloc of Three Mile Island in Harrisburg, Pennsylvania, radiation 16 kilometers away did not exceed the permissible levels for the population. Moreover, the doses of radiation at varying distances from the plant during the entire period of the accident were far below the annual limits set by international standards, even though U.S. scientists disclosed that there was a meltdown of part of the reactor core.

Over the past few days our press published a report that stated that U.S. nuclear power plants have been the scene of 20,000 accidents and breakdowns since 1979. I would like to clarify in this connection that this figure, which seems somewhat exaggerated to me, could confuse the public, inasmuch as it includes the sort of minor mishaps that occur in any industry during normal operations and cannot be described as accidents.

There have really been very few so-called accidents at nuclear power plants, and as I have explained, their consequences have been insignificant, especially if we compare them with most, if not all of the other industrial activities that are necessary for mankind's progress and development.

Reporter: What is the worst accident that can happen at a nuclear power plant and what action is taken accordingly?

Fundora: Over the entire range of potential or foreseeable accidents connected with the operation of nuclear power plants in the world, designers select the ones that are the most serious in scope and magnitude and, therefore, that entail the worst radiological consequences.

Thus, in most nuclear power plants today the worst accident is considered to be one that leads to a breakage in the piping through which the coolant (water) circulates to cool the nuclear fuel in the reactor core.

Although the probability of such damage is insignificant, owing to its grave consequences designers must include special measures for emergency cooling.

One of the main ways to insure safety is to achieve top quality in the manufacture of equipment and piping, as well as in construction, assembly, adjustment and start-up. Moreover, the condition of the equipment during operation is monitored closely, in particular the metals and welded joints, and the necessary technical safeguards are introduced to prevent insufficient cooling of the core fuel elements.

Nuclear power plants are also designed with multiple containment barriers to keep the radioactivity in. Special installations are built, such as containment buildings, to keep the consequences of a serious accident localized, and a series of organizational preventive measures are drawn up and implemented as part of an emergency plan for dealing with accidents, including, if necessary, the evacuation of plant personnel and local residents.

Reporter: In spite of all this, why are there still accidents at nuclear power plants?

Bilbao: In answering your question, I must first tell you that in no other sphere of technology has the problem of insuring safety been investigated in such detail and depth and with such conservative standards as in nuclear power.

Nevertheless, as with other modern technologies, the operation of nuclear reactors entails a certain degree of risk for man and the environment. In general, this risk must be less than or comparable to the other risks that mankind has accepted. Progress and development provide benefits to civilization but they also introduce certain levels of risk.

Nuclear technology is faced with difficulties having to do with the scant existing data for determining the probability of breakdowns in or damage to equipment and systems at power plants, as well as with the absence of proven methods for calculating the consequences of accidents owing to their rarity.

In this regard, the International Atomic Energy Agency is conducting a program for reporting nuclear power plant accidents that will enable us to gain greater experience and make more objective assessments, although several more years of data collection are still needed.

A level of "acceptable risk" has not been established. Assessments conducted in other countries confirm that the risk involved in major (hypothetical) accidents at reactors is quite a bit less than in other traditional spheres of technology or than any of the risks that people are exposed to daily under various circumstances. It is estimated at a million times less than the risk of dying in a car accident and 10,000 times less than the risk of dying in an airline disaster.

Nuclear technology is, of course, susceptible to breakdowns and damage due to human error, fire, explosions or flaws in main components, which could cause accidents. And then there are such practically inconceivable occurrences as a meteor hitting a nuclear power plant. After 32 years of safe and reliable nuclear power plant operations throughout the world, an accident has taken place in Chernobyl and caused a loss of human life; it must be studied so that we can learn new lessons.

Reporter: Engineer Rosendo, you spoke of certain lies that the United States has propagated about Cuba's nuclear development. Could you tell us specifically what they were?

Rosendo: American imperialism endeavored to capitalize on the accident at Chernobyl to unleash a campaign against the Cuban nuclear program, which we are undertaking in cooperation with the USSR and other socialist countries.

Specifically, they spread lies and distorted information on the nuclear power plant that is being built in Cienfuegos and through anti-Cuban press agencies, newspapers and radio stations they tried to sow fear and confusion in the United States, Latin America and the Caribbean, arguing that because the plant was being built with Soviet assistance, it posed a danger to the area.

At the peak of this campaign, Congressman Dante Fascell (Democrat) and the reactionary Senator Paula Hawkins (Republican), both from Florida, issued statements in this connection. Hawkins publicly demanded that the U.S. Government exert pressure to have construction of the Juragua nuclear power plant halted, as if they had a right to involve themselves in the domestic affairs of a sovereign State and without taking into account the great efforts that the Cuban people are putting forth to complete this gigantic project.

We should be even more worried than they are, because while Juragua is still under construction, the 100 nuclear power plants operating in the United States are frequently the scene of incidents and accidents due to the lack of exacting standards, over which the economic interests of the great monopolies take precedence.

We should remember that in Florida itself there are three nuclear power plants with five reactors that generate as much electric power as 10 of the kind being built in Cienfuegos.

This shows that although there might be people in the United States who out of ignorance or disinformation are now worried as a result of this biased campaign, what really concerns these gentlemen is not the Juragua nuclear plant but the speedy progress of the revolution in a vanguard area such as the peaceful use of nuclear power, and their frustration at not being able to impose the empire's dictates from the outside. Cuba is free and sovereign, and its people decide their future and solve their problems in accordance with their own experience. Atomic energy is no exception.

In their propaganda these servants of imperialism also claimed that Cuban specialists were incapable of mastering and utilizing this field of technology.

Reporter: How safe is our first nuclear power plant?

Bilbao: The construction of this plant, which has VVER reactors, draws on the experience of more than two decades of safe and reliable operation. Safety and protection against radioactivity at the Juragua plant will be guaranteed through a series of very strict measures in the design, the assembly technique and the reactor operation. The cooling and sealing of the core are insured under all circumstances, including such improbable occurrences as a plane crashing into the plant buildings, an earthquake or a tidal wave [ras de mar]. All radioactive gases and aerosols are filtered before being released into the atmosphere. Liquid and solid waste is properly treated to prevent contamination and is stored in special containers for long periods under strict safety precautions. The environment around the nuclear power plant will be closely monitored.

Another major feature that the plant will have in this regard is a system of multiple barriers, commonly known as a containment system, the purpose of which is limit the escape of radioactivity into the atmosphere as a result of the burning of nuclear fuel.

The first barrier is the cladding around the fuel, and it is complemented by the primary circuit itself for the circulation of the reactor coolant, which prevents radioactivity from escaping into the work areas. Lastly, each reactor at our nuclear power plant will be surrounded by a building that houses all of the components and systems of the first circuit; its primary purpose will be to limit the escape of radioactivity into the environment even in the remote possibility that the worst foreseeable accident should occur at the plant.

Concurrently, we are training the skilled personnel who will be needed to run our future nuclear power plants, relying on the wideranging international cooperation that Cuba receives mainly from the socialist camp; and government institutions are being established, such as the Center for Radiation Protection and Hygiene, one of whose main functions will be to supervise and monitor national and international standards for nuclear safety and radiation safeguards.

Reporter: Could you amplify on the training of Cuban personnel who will be running the Juragua nuclear power plant?

Bilbao: For several years now Cuba has devoted special attention to the establishment of a system of nuclear-energy institutions and to the training of cadres for our nuclear power industry.

We now have a strong foundation in infrastructure, schooling and scientific-technological potential to tackle this major undertaking. Other advantages are our ability, as a socialist country, to utilize available resources rationally and the broad and beneficial international cooperation that we pursue.

A major structural and organizational step in this direction was the creation in 1980 of the Cuban Atomic Energy Commission (CEAC), which is headed by a government vice president, and the Executive Secretariat for Nuclear Affairs (SEAN), which is in charge of professionally and systematically implementing the national policies charted for the peaceful use of atomic energy.

These institutions have worked hard to design and consolidate an entire system aimed at conducting scientific research, training cadres, developing radiation safeguards, insuring nuclear safety and accumulating scientific and technological data. Our country thus holds a prominent place in Latin America and is in a position to undertake the tasks that are await us in this field.

During this 5-year period the Nuclear Research Center will be established; its equipment will include a 10-megawatt research reactor and a zero-power reactor to study the physics of VVER reactors. For its part, the current Nuclear Research Institute will become a center for applied research, development studies and scientific-technological services primarily in support of the nuclear program.

Work is also under way on laws and standards to guarantee safety at nuclear facilities and to protect man and the environment from radiation. To this end, the recently created Center for Radiation Protection and Hygiene will act as coordinator and supervisor. Moreover, answers to the problems connected with the increasing flow of necessary scientific and technical information have required major efforts, prominent among which is the establishment of the Nuclear Energy Information Center.

As far as the training of cadres is concerned, the University of Havana has a well-equipped Department of Nuclear Science and Technology, and there is a Nuclear Power Polytechnical School in Juragua. The number of upper-level students has increased about 20-fold, and there are already more than 500 intermediate technicians and skilled workers.

As if this were not enough, comrades are today receiving training in the USSR, the GDR, Czechoslovakia, Hungary and Bulgaria.

During the past 5-year period, many graduates upgraded their skills by attending national and international events such as the First and Second Schools for Current Problems in Nuclear Science. Representatives of the various institutions involved in the peaceful use of the atom were in attendance, and high-level foreign specialists gave knowledge-update lectures.

I should emphasize that under bilateral agreements signed with socialist and other friendly countries and through the technical assistance that our country receives from the United Nations Development Program, the International Atomic Energy Agency and prestigious centers in capitalist countries, a considerable number of Cuban specialists have received training in recent years, many in the construction and start-up of our first nuclear power plant in Juragua, Cienfuegos.

[Box, p 65]

Juragua: State-of-the-Art Technology

As engineer Eduardo Fundora explained, the first stage of the nuclear power plant being built in Juragua in the province of Cienfuegos will have two VVER-440 reactors, which are earthquake-proof, cooled by ordinary pressurized water and put out some 417 megawatts of electric power each. Two more reactors will be built in the second stage. Thus, when the plant is completed, it will have a total output capacity of some 1,600 megawatts.

The core of a VVER reactor is encased in steel and consists of the fuel element assemblies and the piping for the moderator and monitoring equipment.

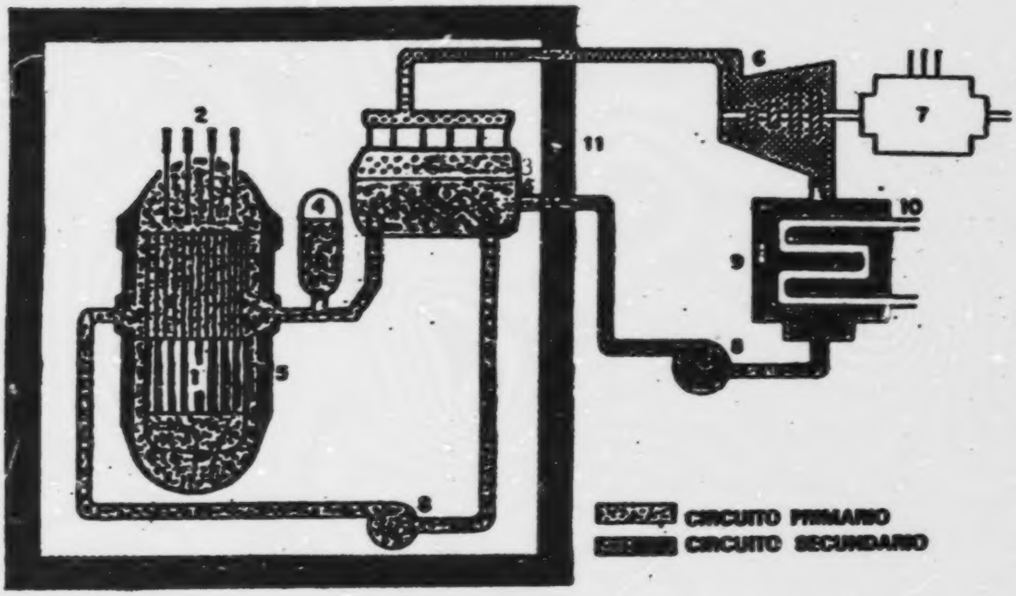
These nuclear power plants have two circuits. In the first, the pressurized water circulates through the core, extracting from it the heat liberated from the fission of the nuclear fuel. After exchanging the heat in an intermediate device called a steam generator, the water is cooled and returns to the reactor through the main circulation pumps.

The steam produced in the generator is conveyed to the turbine, which activates another generator that produces electric energy. The water then condenses and is recycled through the condenser and feedwater pumps.

In these installations the first circuit and its auxiliary equipment are placed inside a sealed containment building, and the steam that powers the turbine does not come into direct contact with the radioactive water. Moreover, our power plant will be outfitted with modern and effective safety systems and will be designed with a view towards our weather; that is to say, it will be unaffected by hurricanes and other natural phenomena.

This type of reactor is the most widely used in the world (56 percent of nuclear power output), followed by the so-called boiling-water reactor (26 percent).

Diagram of a Nuclear Power Plant Outfitted with a Pressurized-Water Reactor Similar to the One at Juragua


2
4
3
11
6
7
10
9
1
5
8
8
▨ CIRCUITO PRIMARIO
■ CIRCUITO SECUNDARIO

Key:

1. Core
2. Control rods
3. Steam generator
4. Pressurizer
5. Cladding
6. Turbine
7. Generator
8. Condensate pump
9. Condenser
10. Cooling water
11. Reinforced concrete containment building

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EDITORIAL VIEWS DOMESTIC PROBLEMS FACING AZCONA

San Pedro Sula TIEMPO in Spanish 17 May 86 p 6

[Editorial]

[Text] On completing the [first] 100 days of his administration, President Azcona del Hoyo is faced with the outcropping of multiple demands from different sectors, which are not waiting any longer and have decided on action--mostly coercive--to force the satisfaction of their demands.

Many of the demands are inherited from the previous regime, which managed to pass them off with promises to be fulfilled in this administration; others are the product of the bad economic conditions; and others have a political coloration.

At the moment, for example, there is a general work stoppage in the National Agrarian Institute (INA) as the result of a personnel restructuring that has coincided with the petition for immediate compliance of the apportionment of 22,000 hectares of tillable land to be distributed among the peasants.

Seven colleges in different parts of the country, including the Technical Institute of Business Administration (INTAE), have suspended their activities as pressure to obtain the expansion of buildings in order to house a larger student population.

The interns and medical students have also begun to ask for the improvement of their salaries and other benefits and, to top it off, the community of Puerto Costes is practically in rebellion, threatening to prevent the supply of oil and gasoline to the rest of the country in order to impose its claim to 4 percent of the collections from the local customs taxes and the National Port Company as revenue for the municipal treasury.

At the same time, the National Council of Workers and Peasants of Honduras (CONOCH) has called on President Azcona del Hoyo to restructure his cabinet, alleging that this "team" is suffering from great shortcomings that make a proper administration impossible. In a more surreptitious way, but no less important nonetheless, other sectors, including the top echelon of the Armed Forces, have expressed similar criticism, sometimes in very crude terms, it has been learned.

The chief executive has completely rejected the latter and, referring specifically to CONOCH in this regard, said that the charges against some of his ministers "are unfair. I am making them work 10 or 12 hours a day," he insisted, "and I do not want anyone to force me or to want to force me to remove them." Furthermore, the president maintained that the ministers "are working." As can be seen, the panorama is becoming complicated in terms of social ferment and, judging by the way the wind is blowing, we are possibly facing the beginning of a "snowball" effect. The solution of a large part of the present demands and of those on the way requires economic funds that the state does not have, less so in circumstances in which all sectors and groups fight not to pay taxes, as is the case.

The government has taken a first step to calm some, and those rewarded happen to be those in private enterprise who have grievances dating back a long time, such as the cotton growers, the cattle ranchers, and other subsidies, which, of course, generates a larger number of petitions from the social sectors that consider themselves something in the nature of outsiders. For this, it was necessary to resort to the surplus from the oil bill.

But this is a never-ending road so long as other institutional forms--so to speak--of solving these grievances are not established, thus giving our economy a new orientation.

It is fair to recognize that the government has hastened to formulate an economic program which it has put in the hands of the U.S. Embassy and the Honduran Private Enterprise Council, unquestionably for the purpose of soliciting good will and financial support to implement it.

However, the results are more in the middle and long term. In the meantime, the pressures are extremely unlikely to be contained, especially if certain political measures are discarded.

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SIGNIFICANCE OF CONTRA PRESENCE ANALYZED

San Pedro Sula TIEMPO in Spanish 3 May 86 p 6

[Editorial]

[Text] The U.S. House of Representatives has again put off consideration of the subject of the $100 million in military assistance for the "Contras," who total 20,000 men, according to unofficial sources, that is, a number greater than that of the Honduran Army.

According to foreign news agency reports, congressional supporters of President Reagan's request to arm to the teeth its "freedom fighters" established in Honduras were unable to obtain more than 160 signatures of the 218 needed to introduce reconsideration in the agenda of the House.

The speaker of the House, Mister O'Neill, has been emphatic in scheduling consideration of this subject for this coming 9 June, that is, 3 days after the date set by the Contadora Group for the signing of the Act for the Peace and Development of Central America.

The government of Honduras has already affirmed its commitment to sign the Act of Contadora on that date, together with the governments of El Salvador, Guatemala, and Costa Rica, at a meeting of vice-presidents held in San Jose which was attended by the designate Jaime Rosenthal Oliva, representing the Honduran state.

Thus, it is the Sandinist government that has not yet expressed itself definitely because, we suppose, it still has to consider a point that is very sensitive for them, that of the "Contras" as the principal interlocutors in the internal dialogue for national democratization and reconciliation, as set by the government of the United States, which is not a party to the negotiations and the signing of the Act but which, to a superlative degree, is indeed a party to the Central American conflict.

It is thanks to this U.S. protagonism that the Act of Contadora can become an actual reality or a resounding failure. It certainly depends on the political will that is impressed on this final phase of the process and, to be impartially fair, we will say also that that will must also be shared by the Nicaraguan Government itself.

In our judgment, the joint communique issued after the meeting of President Reagan and President De la Madrid of Mexico touches on the main aspect: "The president of Mexico," says the communique, "referred to the dual dimension of the conflict in the area: the one stirred up among the Central American countries and, as a basic underlying element, the one that presents itself between the governments of the United States and Nicaragua.

"The Act of Contadora represents the way to the solution of the former; while in the latter case, machinery must be found that will make it possible to resume dialogue, overcome the differences, and guarantee the legitimate security interests of both countries."

Obviously, that is the crux of the problem. To a certain degree, Mexico has very ably and correctly isolated the problem of Nicaragua which, we must say in passing, affects Honduras the most in the area. That is the reason why we devote so much attention to it. Essentially, it is an American problem and, more specifically, a problem of the Reagan administration.

It is the consequences of this problem that affect the region negatively and Honduras bears the worst of them. The most serious thing about it at this stage is that, for different reasons, the presence of the "Contras" could become a point of congruence for the Reagan administration and the Sandinists, as well as for some sector that benefits economically from this situation.

According to this line of thinking, if the "Contras" disappear as a threat to Nicaragua, the Sandinist government will find itself forced to demobilize thousands of youths from the militias and to give them different jobs within the framework of the economy. It would also have to end internal repression and at the same time cope with public opinion without the stimulation of the national struggle against the foreigner.

The government of the United States would have to face the economic and social problems of these countries on a realistic basis or, failing to do so, to decide on direct intervention in Nicaragua to overthrow the revolutionary regime.

On the other hand, those who benefit from the corruption generated by the "Contra" presence would see a very lucrative business come to an end.

However, the Central American peoples and our Honduras would undoubtedly come out the gainers, on the way toward an authentic peace and greater democratization.

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FOREIGN PRESENCE VIEWED AS 'PERMANENT'

San Pedro Sula TIEMPO in Spanish 5 May 86 p 6

[Editorial article by Victor Meza: "Contadora: Between the Dream and the Reality"]

[Text] In a flight more of euphoria than of thoughtful reasoning, the ambassador of the United States in our country, Mr John Ferch, told reporters that "the government of the United States is prepared to withdraw its troops and military advisers from Honduras once the Act of Contadora is signed by the five countries of Central America." (TIEMPO, 5 May 1986).

Would that it were so. However, things are not so easy or reality so simple. The signing of the Act of Contadora, if it should come about, will resolve absolutely nothing in Central America. Just as the effort carried out by that group of countries, laudable and worthwhile in many ways, has served more as an obstacle to impede expansion of the war in the region than as an effective instrument to reestablish peace.

The conditions imposed by the different sides for reaching the longed for signing of the Act are virtually insuperable. The Sandinists are not prepared to accept a dialogue with the Nicaraguan leaders of the "Contras," and the United States is not very desirous--it should be said--of withdrawing its troops and advisers from the Central American region.

Speaking before the Military Construction Appropriations Subcommittee of the House of Representatives last 12 March, Nestor Sanchez, the assistant deputy secretary for Inter-American Affairs, declared that the military construction program for next year in the Caribbean Basin involved expenditures of $36.7 million, "including," he said, "the $5 million for facilities in Honduras in support of the U.S. Air Force unit engaged in intelligence-gathering tasks..." Reaffirming his country's intention to remain in the area, the ineffable Mister Sanchez stressed: "When we know how long our allies will be under the direct threat of Sandinist support for subversion in the region, then we will know how long our military presence will be necessary."

That same day, taking his turn at the hearing of the aforementioned subcommittee, General John Galvin, commander-in-chief of the Southern Command with headquarters in Panama, said clearly: "The program for the next fiscal year will include additional projects in Panama and in Honduras for as long as the regional situation requires our presence there." Being more specific about the role of his troops in our country, he added: "In Honduras, we are engaged in the following activities:

"--Maintenance of military assistance to the allies to support regional stability and to insure the capability and self-sufficiency of the regional forces;

"--Continuation of military intelligence operations and activities;

"--Enhancement of the capability of the U.S. Forces through training and exercises;

"--Support of the diplomatic efforts and appropriate aspects of the program of security assistance to the embassies and military groups."

That is the way things are. It is the powerful allies of the North who are going to decide when we Hondurans will finally be free of "the direct threat of Sandinist support for subversion" and they will be the ones who will decide how long "the regional situation" will have to require their military presence here.

The rest, regardless of the naive optimism of Ambassador Ferch, does not matter. Thus, let us not delude ourselves. The hypothetical signing of the Act of Contadora cannot be a serious hope. And in the remote possibility that the signing should occur, one would have to see to what point the sides that sign it are prepared to comply with it.

Without meaning to be pessimistic, we are convinced that the war in Central America is going to be prolonged and that our immediate future will be irremediably conditioned by that fact.

Tegucigalpa, 7 May 1986.

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FEATURES OF DURAZO'S PRISON ACCOMMODATIONS DESCRIBED

Monterrey EL NORTE in Spanish 4 Apr 86 pp 1-A, 2-A

[Article by Juan Jose Prado]

[Text] Mexico, April 3--For fear that he may talk more, the drug traffic Mafia could assassinate Arturo "El Negro" Durazo Moreno, since the Reclusorio Oriente del Distrito Federal [Federal District's Oriente House of Detention] has no maximum-security facilities.

One DEA source in Mexico warned today that the Mexican Government is underestimating the importance of the former police chief, who is considered one of the top Mexican capos.

"We are aware that the security surrounding "El Negro" is the same as for any other inmate," said the DEA source. "Obviously, his imprisonment is more important than that of Rafael Caro Quintero and Ernesto Fonseca Carrillo, together."

EL NORTE was able today to visit the Estancia de Ingreso [Admission Facilities] building, in which Durazo Moreno is being held.

Only two persons are guarding the corridor in which his cell is located, and, to all appearances, they are not armed.

To reach Cell Number 12 in Zone 4 of the building, on the 2d Floor, eight iron gratings must be gone through, the same ones that must be gone through to reach any other inmate.

"El Negro" Durazo was there, surrounded by half a dozen relatives, who today began visiting him.

Durazo Moreno's new residence, in stark contrast to his Ajusco and Zihuatanejo mansions, measures 3 meters by 3 meters.

It contains only a bed made of concrete, a wash basin and a dressing table, also made of cement. In the same cell is a toilet and a cold-water shower.

A heavy steel latch with two padlocks limits "El Negro's" freedom of movement.

Ruben Fernandez Lima, the warden of the Reclusorio Oriente, stated that there will be no privileges for "El Negro" of Cumpas.

"Mr Durazo will have no luxuries," he said. "He will be given exactly the same treatment as all the other inmates.

"He will have all the rights and all the obligations," the official explained further, "and his permanent cell will be similar to the one he now has."

Nevertheless, in this same house of detention, the former officials Felix Barra Garcia and Alfredo Rios Camarena enjoyed comfortable deluxe cell-suites while they were interned here.

The warden of the prison facility insisted that Durazo Moreno safety will be zealously guarded, and he bridled when he was reminded that recently, in this same house of detention, an accomplice of Caro Quintero, surnamed Nafarrete, escaped.

"We are committed to Durazo's physical, moral and recreative security," he remarked.

Reclusorio Oriente, like other prisons in Mexico City, houses various inmates who were members of the former Jaguar group, founded by Durazo Moreno himself, who are involved in the Rio Tula massacre and who, as is known, hate the former police chief.

Durazo Moreno was assigned the number 1535 in Mexico.

His first meal in Reclusorio Oriente consisted of broth, rice, fried chicken and green peppers, which, he remarked, he was already longing for.

His medical examination revealed nothing requiring special attention. He will merely continue subjected to a low-salt diet, in view of his chronic arterial hypertension.

"We have given him a thorough checkup," said the official responsible for his security, "lest he have a fainting fit and the rumor be started that he has been killed."

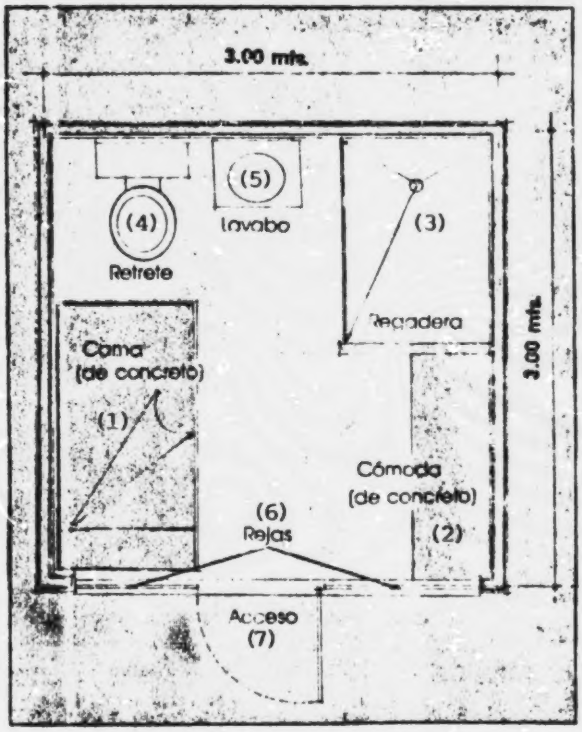
The psychological examination indicates that he has no signs of mental disorders, such as insanity, hysteria or schizophrenia.

Durazo Moreno has not requested any favor or special consideration and is not being held incommunicado.

His lawyers have not interposed an "amparo" [a writ possessing some elements of an injunction and some of habeas corpus)--as has occurred in other cases--with the intent of precluding incommunication and torture.

Today, Durazo Moreno received the visit of an envoy sent by his wife Silvia Garza de Durazo: his brother-in-law, Daniel Garza Saenz.

He was also visited by his sister Idelvira Durazo, his cousins Maria Teresa and Silvia Lerma Durazo, and several of his nephews.


3.00 mts.
(5)
Lavabo
(4)
Retrete
(3)
Regadera
3.00 mts.
Cama
(de concreto)
(1)
Cómoda
(de concreto)
(6)
Rejas
(2)
Acceso
(7)

Cell number 12 of Reclusorio Oriente.

Key:

1. Bed (concrete).
2. Dressing table (concrete).
3. Shower.
4. Toilet.
5. Wash basin.
6. Gratings.
7. Access door.

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EIGHT WITNESSES AGAINST DURAZO RETRACT THEIR TESTIMONY

Claims of Violence-Induced Testimony

Mexico City EXCELSIOR in Spanish 16 May 86 pp 5-A, 30-A

[Article by Rafael Medina Cruz]

[Text] Two ex-heads of Auxiliary License Bureaus of the DF's [Federal District's] former DGPT [General Directorate of Police and Traffic], Jose Baltazar Tellez Giron and Angel Vilchis Zuniga, who had testified against Arturo Durazo Moreno, stating that they had been passing money and centenarios [Mexican gold coins, first issued in 1916] to him under threat of losing their jobs, retracted their testimony yesterday and affirmed that they had been compelled to sign some documents to that effect in the PGJDF [Federal District Attorney General's Office].

The foregoing statement was sworn to before the judge of Criminal Court 26, Maria de Jesus Medel Diaz, and in the presence of the accused, during a hearing held in the Reclusorio Preventivo Oriente [Oriente House of Detention].

"We were detained with violence and taken to the PGJDF, where we were held incommunicado and under threat of imprisonment if we did not sign a statement against Durazo Moreno. We had to do it; but now, without pressures of any kind whatever, we say to you that never, at any time, did we pass money of any kind whatever to any superior to prevent loss of our jobs. Nor did we pass centenarios."

The hearing began at 1015 hours, when the clerk of the court, Beatriz Elena Moreno Cardenas, called the witnesses who had been summoned to appear. Only two of the six who had been summoned responded when their names were called.

Jose Baltazar Tellez Giron and Angel Vilchis Zuniga submitted their driver's licenses as proof of identity. Those who failed to appear will be fined 8,000 pesos each.

The presence of the witnesses having been established, the former head of the capital city's police was called forth, in a loud voice, from the tunnel that leads to the criminal courts.

Durazo arrived at the hearing wearing a cream-colored "guayabera" and semi-dark glasses; he was clean-shaven and combed.

Jose Baltazar Tellez Giron, 65, married, Catholic, merchant, and friend of Durazo Moreno since the age of 14--"We were neighbors in Colonia [Urban Community] del Valle"--was facing him.

According to his [prior] statement [to the PGJDF], Baltazar Tellez Giron had, after not seeing his friend for a long time, gone to visit him, and met with him, in 1976, when the latter was already chief of the capital city's police, after which Tellez Giron was invited to serve together with Durazo Moreno [and did so] until 1978.

"He called me by telephone to offer me a job. He made me a captain and chief of the Cuajimalpa License Bureau," he had said.

Further according to Tellez Giron's statement to the PGJDF, initially, while assigned to the Cuajimalpa License Bureau, he paid an assessment of 10,000 pesos; then, in the Venustiano Carranza License Bureau, 25,000 pesos, [both] weekly.

All Denied

However, testifying face-to-face with Durazo and before Judge Maria de Jesus Medel Diaz, he denied the statement he had made to the PGJDF.

"No...no! I do not ratify what I am said to have declared in the PGJDF, although I do acknowledge that the signature appearing on the record of those proceedings is mine. Let me explain why:

"I was detained violently one morning at around 0700 hours, in the street. They broke the windows of my car, and with that as an excuse came to take me from my home. They were eight persons, who, with submachine guns, compelled me to get into a car in which they took me to the PGJDF. They kidnapped me, because they had neither a warrant for my arrest nor a summons for me to appear.

"I was held incommunicado for almost 48 hours. Those who interrogated me warned me that if I did not sign what they dictated to a clerk-typist, I would have to accept the consequences, and, although I refused initially, I finally signed what they wanted me to sign, under duress of threats and incommunication."

The PGJDF prosecuting attorney assigned to the Court questioned the witness on his [current] statement and, despite the prodsecutor's efforts, he was unable to elicit contradictions from the witness.

The witness added that at around 0500, after he had stated in the PGJDF "what they wanted," he was set free.

Durazo Moreno's defense lawyer, Juan Velazquez, also questioned the former chief of the License Bureau, to get him to reiterate that he had been compelled to testify against Durazo Moreno.

At 1130 hours, the questioning having been concluded, Judge Maria de Jesus Medel Diaz ordered Jose Baltazar Tellez Giron to enter the Court's defendants-cage so that he could confront the accused face-to-face.

Durazo, who had been leaning against the railing of the cage, stood erect in the presence his boyhood friend.

"Mr Durazo," said the judge, "you may talk with the man who, according to the record, testified against you. You may ask him whatever you wish. And you," she said, turning to Tellez Giron, "may do the same."

Durazo fixed his gaze on Tellez Giron and asked him:

[Question] "Did you ever at any time give me gold coins?"

[Answer] "Never!... At no time whatever!"

[Question] "Did you ever give me any money?"

[Answer] "Never!"

[Question] "Did any of my employees, any of my colleagues, ever threaten you, coerce you or pressure you to give anything to me?

"[Answer] "No, sir. I have already clarified that here. They pressured me to testify against you. You have never demanded or requested money from me, and never in my life have I given you anything."

At the conclusion of the confrontation, Tellez Giron was surrounded by reporters and asked whether someone had threatened him to make him retract the testimony he had given at the PGJDF.

"No one. I have come here in response to a Court order and of my own free will. Where I was threatened was in the PGJDF, not here."

The Other Witness

After a short recess, the other witness, Angel Vilchis, was called before the judge. It was 1140 hours and the hearing was proceeding in good order and without disputes.

Angel Vilchis--who has 25 years of service with the police, was acting chief of the Gustavo A. Madero License Bureau during Durazo Moreno's tenure, and is presently deputy inspector of Sector 13 of the Gustavo A. Madero Delegation of the Secretariat for Safety and Roadways--took the stand.

According to Vilchis' statement before the PGJDF, he was passing 150,000 pesos a week to Durazo Moreno, through the former head of the General Bureau of Licenses, Antonio Lukini Mercado. Before the judge, he denied this.

"I do not ratify my declaration before the PGJDF, but I do acknowledge the signature that appears on the record of those proceedings as mine." And, like the previous witness, he explained why he was not ratifying it.

"I was detained a few blocks from my home. It was a Friday in March at 1400 hours, as I was riding in my car with my wife, on Calle de Carreteraco, Colonia Parque San Andres. Four cars intercepted us by surrounding ours on all four sides--in front, in back, to our left and to our right. Several persons with pistols and submachine guns ordered me to dismount from my car, with my hands over my head, and not to offer any resistance.

"I asked them, of course, what it was all about. Far from replying to my question, they struck me, insulted me, and pushed me forcibly into one of their cars. From there they took me to the PGJDF, the one that was in Ninos Heroes.

"They locked me into a room. Approximately 1 hour went by and from there they took me into another room, where there were four persons who interrogated me. They kept telling me that I was passing money, centenarios and gifts to Durazo Moreno; not to act dumb; that they had incriminating documents; that it was better for me to agree to what they were saying; otherwise, they would not let me go free.

"I did not agree to what they were proposing. I told them that even if I remained there I would not agree to those lies. They took me to the other room again, where I remained from Friday till Sunday.

"On Sunday," he continued, "tired and disheartened as I was by then, they would not let me sleep. They kicked me when I nodded my head and gave me nothing to eat. Again they took me to the other room. There they asked me if I loved my wife and children. I told them 'yes.' Then, they told me that I must sign what they were saying. What I was going through was unbearable by then, and I opted for doing what they ordered me to. I was immediately set free, at around 1800 hours that Sunday."

It was 1210 hours when Vilchis completed his testimony. The judge, who had listened with undivided attention, did not miss a single detail. She herself dictated to the clerk-typist what Vilchis had stated.

Next, the public prosecutor assigned to the Court began his questioning of the witness, which consisted of how many years he had been working with the police, what positions he had held, the reasons for the changes in assignments, and why, if indeed he had been pressured into testifying as he did, he had not reported it to the proper authorities.

Dispute Over Confrontation

At 1300 hours it seemed as if the proceedings would end with the face-to-face confrontation between Vilchis and Durazo; however, the judge decided that it was to take place on another day.

The lawyer representing Durazo Moreno's defense team, Juan Velazquez, jumped from his seat.

"Your Honor," he said to the judge, "I respectfully submit that this cannot be. The confrontation is a constitutional guaranty. You cannot postpone it."

Maria de Jesus Medel, bothered by the heat from the TV camera reflectors, annoyed by the noise coming from the corridors that was distracting her attention, and tired by the long duration of the proceedings, explained to Juan Velazquez that the confrontation was not being denied, but merely postponed to another time.

Velazquez, visibly annoyed but still in a friendly tone, stated various reasons to the judge why the confrontation must take place without delay. The judge, without losing her equanimity, reiterated, "Another day."

With the Constitution in hand, and the Criminal Procedures Code opened on his table, Velazquez said to her:

"Pardon me. This discussion distresses me, but juridical grounds sustain me. Art 20 of the Constitution stipulates that the accused must be confronted with his accusers within the shortest possible time."

The representative of the Office of the Public Prosecutor, Juan Miranda Collado, intervened energetically with a request that the judge forward an attested copy of the record of the proceedings to the PGJDF, because there was presumption of commission of a crime by the two witnesses who had contradicted themselves during the hearing in relation to what they had previously testified.

Juan Velazquez reddened. He raised his voice and asked the judge to reprimand the prosecuting attorney for intimidating the witness. It was 1315 hours; the dispute had gone on for a quarter of an hour and it was still not clear whether the confrontation would take place or not.

"I caution attorney for the defense," said the judge to Juan Velazquez, "that that discussion must not continue. Well, not discussion," she clarified, "but rather, exchange of views."

Durazo Moreno's defense team representative remarked to the judge in a loud voice that "We have spent more time in this exchange of views than a confrontation would have lasted. It is a constitutional requirement and must be complied with."

Once again, the prosecuting attorney chimed in, arguing. The judge replied. Juridical terms were entered into the record of the proceedings and, in conclusion, Maria de Jesus Medel Diaz ruled that the confrontation take place. It was 1333 hours.

The witness, perspiring profusely, was intimidated by the threat of the prosecuting attorney, who asked the judge for the documentation--original and copy of the testimony--so that it could be turned over to the PGJDF and proceedings instituted for perjury.

Face-To-Face

After 33 minutes of "exchange of views," Maria de Jesus Medel ordered the confrontation between Durazo and Vilchis to take place.

"Say to each other what it is you have to say," she instructed them.

Durazo Moreno, nervous as a result of what had occurred between the judge, his lawyer, and the prosecuting attorney, took a deep breath, adjusted his glasses, looked fixedly at his former subordinate, and asked:

"Did you ever, at any time, throughout your lifetime, give me any money?"

Standing at attention, facing Durazo, head held high, Vilchis replied:

"Never, sir. Never have I given you any money whatever."

[Question] "I urge you to tell the truth. Did you ever give me gold coins?"

[Answer] "Never, sir."

[Question] "Did any of my assistants or colleagues ever ask you for money?"

[Answer] "Never, sir."

[Question] "Did anyone close to me ever compel you to do something wrong?"

[Answer] "No, sir."

The confrontation lasted a maximum of 30 seconds, and Durazo was released.

At the conclusion of the hearing, Durazo was besieged by reporters.

[Question] "What do you think of what went on?"

[Answer] "I have nothing more to say. Talk with my lawyers. Please understand me."

More Charges of Violence

Mexico City EXCELSIOR in Spanish 22 May 86 pp 4-A, 36-A

[Article by Rafael Medina Cruz]

[Text] Again yesterday, during a hearing that lasted 6 hours, six former chiefs of Auxiliary Licenses Bureaus of the former DGPT [General Directorate of Police and Traffic], one of them a woman, and all of whom had testified against Arturo Durazo Moreno in the PGJDF [Federal District Attorney General's Office], stating that he had extorted money and centenarios from his subordinates retracted their testimony before the judge of Criminal Court 26, Maria de Jesus Medel Diaz.

Alejandro Rojas Huitron, Leopoldo Rivas Badillo, Panfilo Alberto Rojas Huitron, Rafael Leal Granja, Octavio Navarro Urena, and Martha Patricia Romero Vargas stated they had been detained violently by police of the criminal justice department, held incommunicado, and pressured into signing the reference statements, which are now keeping the former police official in prison and subject to trial.

At the conclusion of the hearing and because of the retractions, the public prosecutor assigned to the Court, Juan Miranda Collado, requested a certified copy of the entire proceeding, so that he could forward it to the PGJDF for an investigation of the reason for "their attitude."

The attorney representing Durazo's defense team, Juan Velazquez, termed this move "very good," in view of the fact that, in his view, there were many irregularities in the conduct of the investigation.

In the extension of their testimonies, all, without exception, denied having imputed to Durazo or to those who acted as his deputy chiefs--Francisco Sanchez Torres, Arturo Marban, and Antonio Lukini Mercado--any charges whatever.

The hearing, scheduled for 1000 hours, started 20 minutes late. The former police chief arrived at the defendants-cage wearing a cream-colored "guayabera." His image, his lawyer remarked, "has changed very much since his return to Mexico."

The first witness to appear was Alejandro Rojas, 53, married, Catholic, with 2 years of secondary schooling. Presently, he is the second-ranking official in the Secretariat of Safety and Roadways. He entered that service in 1962 as a patrolman, then occupied various positions of responsibility, including that of chief of Auxiliary License Bureaus.

When he heard read to him what he supposedly had declared in the Office of the Public Prosecutor who conducted the investigation that was now before Judge Maria de Jesus Medel, he showed surprise and denied that declaration.

"I asked them at the time if this was a kidnapping, but they told me nothing. One of them remarked to another of his companions that it was almost a kidnapping and, mockingly, they ordered me to lower my head and keep quiet.

"I felt a little more at ease when I arrived at the PGJDF, but when they told me what it was about I became alarmed again. They assured me that others of my companions, also former chiefs of license bureaus, had already testified against Durazo and had left. I told them I could not sign lies.

"They again threatened me; they told me that, in that case, they would bring charges against me, and, in the face of that fear, I felt compelled to sign what they wanted me to."

Next, Rafael Leal, who entered the service of the DGPT in 1980 and resigned in 1983 to devote his time to helping one of his sons in the latter's private business, replied to questions from the public prosecutor and the defense attorney. Throughout the questioning, he denied having made accusations against Durazo and said that he signed under pressures and without knowing what had been set forth in the documents.

The statutory confrontation between the elderly witness and Durazo Moreno took place at 1405 hours. The former police chief asked:

"Did I at any time ask you for money or gold coins?"

[Answer] "No, sir. Never."

[Question] "Did my colleagues ever ask you for money or centenarios under threat?"

[Answer] "They never asked me for even so much as one centavo. They never threatened me."

Durazo Moreno observed and listened calmly to what was going on.

According to the records of the PGJDF, Alejandro Rojas passed centenarios and weekly "assessments" of money to his superiors, which these, in turn, would pass to Durazo Moreno.

He did this under threats that if he failed to deliver what was demanded of him, he would be reassigned to another office and position. His testimony before the Office of the Public Prosecutor also stated that he had passed the last centenario to Lukini Mercado in 1982.

When he was asked whether his statement was correct and whether he ratified it, he replied almost shoutingly:

"That statement is not correct. I am not in agreement with it. I did not say what it states. The signature is definitely mine, but at no time did they let me read my testimony, and much less did they read it to me.

"At 1800 hours, I was summoned to the law office of the Secretariat of Safety and Roadways. There they explained to me that I would have to give testimony. I was told this by the chief of that office; his surname is Munoz Cano.

"Then," he continued, "I was taken, accompanied by agents of the Criminal Investigation Department, from the Secretariat of Safety and Roadways to the PGJDF.

"Once there, they took me up to the third floor. They put us [as published] in some cubicles where they watched us through the bars. From one cubicle, they would take us into another; and they did this for several hours.

"It was about 2100 hours when they told me they wanted me to testify against Durazo Moreno, Arturo Marban and Antonio Lukini They wanted me to say that I was giving them centenarios, money and gifts and that I was buying wrestling match tickets, records and a bunch of other things from them.

"I declared nothing. I said nothing because they were pure lies. They were inventions on their part, and besides, there was nothing I could possibly say in that regard.

"So," he continued narrating to the judge, who personally dictated what he was saying to the clerk-typist, Alberto Rubalcava, "they kept me another day, until finally, tired, without food, pressured and threatened, I opted for signing what they wanted me to sign. I was ill, and in spite of it they still would not let me take my medication. I was detained Friday, Saturday and Sunday, and on not one of those days did I eat, drink or sleep."

Durazo Moreno, paying close attention, would move his head nervously, stare fixedly at the ceiling, lean on the railing, scratch his ear, and look all about him at his surroundings.

Next came questions by the public prosecuting attorney and Durazo's defense attorney; the old policeman answered all of them.

The confrontation between Durazo Moreno and Alejandro Rojas Huitron was ordered to take place by Judge Medel Diaz at exactly 1150 hours.

The defendant stood at attention facing the man who had been his accuser before the PGJDF and who was now the retractor of that testimony. He fixed his gaze on the witness and, upon receipt of the judge's authorization, asked:

"Did you ever, at any time, give me money or centenarios?"

[Answer] "Never, sir."

[Question] "Were you ever, at any time, threatened on my part or by any colleague of mine?"

[Answer] "Never, at any time."

Judge Maria de Jesus Medel Diaz stood beside the witness, facing Durazo. She asked them if they both maintained what they had just said; both responded that they did.

The confrontation lasted barely 20 seconds.

The second witness was Leopoldo Rivas Badillo, 42, married, Catholic, with 17 years of service in the police, and currently in active service.

He had declared before the PGJDF that he paid weekly assessments and centenarios, under threat of removal from his post, to his immediate superiors, Arturo Marban and Antonio Lukini. "I last paid my assessment in November of 1982," he is recorded as having said to the Office of the Public Prosecutor.

However, before Judge Maria de Jesus Medel Diaz, he retracted the accusation he is alleged to have made against Durazo in the cited Office.

Still, his first declaration states that he made those payments around Monday or Friday of each week, and that they [as published] were also compelled to buy records and tickets for wrestling matches; otherwise they would be removed from their positions of responsibility.

"Do you ratify what you said in the PGJDF?" the judge asked him.

[Answer] "I do not ratify. I have never read nor heard what I am said to have said."

Questions by the prosecuting attorney and the defense followed. He responded to all of them, and denied throughout having made accusations against his former chief and superior.

He claimed he had been kidnapped by agents, held incommunicado and threatened, and that he was not allowed to take food, drink water or sleep. He expressed himself in the same terms as the first witness.

At 1240 hours, when he was confronted with Durazo. [as published]

At 1250 hours, the judge ordered the third witness to appear; namely, Panfilo Rojas Huitron, 46, with 3 years of vocational training and currently active in the Secretariat of Safety and Roadways.

This witness, who said he was the husband of Hilda Anderson, former senator, denied, as he had also done in the PGJDF, having given money or centenarios to Durazo Moreno or any of his subordinates.

"Perhaps because they knew I was Hilda's husband they didn't ask me for money. Besides, I never gave centenarios or bought tickets for raffles or wrestling matches. They never threatened me," he reiterated in confirmation of his previous statement.

Nevertheless, he clarified three points that in his opinion were badly put. He was not confronted with Durazo Moreno, because there were no contradictions between what he had declared in the PGJDF and what he confirmed yesterday in the Court.

Rafael Leal Granja, 66, former chief of the Tlalpan Auxiliary License Bureau, was the fourth to appear. Outraged, he said that he would not ratify his previous testimony, clarifying that if he signed the documents it was because because "they pressured me exceedingly."

"I left my home one Saturday to buy a newspaper. As I was nearing the newsstand, two automobiles intercepted me. Several persons dismounted from them, armed with submachine guns, and by force of blows and shoves they removed me from my vehicle and put me into one of theirs. I had no idea what was behind it all."

The next to last of the witnesses, Octavio Augusto Navarro Urena, 60, newspaper reporter, Catholic, married, and friend of Durazo Moreno since early childhood, also refused to ratify his declarations made before the PGJDF and said he had been pressured into signing the documents that are now a part of the record of proceedings.

According to these documents, he paid Arturo Marban and Antonio Lukini weekly assessments of 50,000 pesos to be chief of the Gustavo A. Madero License Bureau. They also state that he gave those officials various centenarios for Durazo's birthday and as a Christmas present.

"The agents detained me and took me to the PGJDF, where they held me without a bite to eat, without a drink of water and without sleep for more than 3 days. I saw a colleague of mine, Vilchis, suffer a nervous attack, but I don't know if it was a heart attack. The pressures were severe. I found myself compelled to sign what they wanted me to sign. I did not say those things. As for the alleged statement, they had already written it up in advance," he asserted.

After about 1 hour of questions and answers, Navarro Urena was confronted with Durazo, who spoke to him in the [Spanish] familiar ["tu" form of the pronoun "you"].

[Question] "Did I ever ask you for money or centenarios?"

[Answer] "No, never."

[Question] Did Lukini or Marban ask you for money or coins?"

[Answer] "Never. I have clarified that here in Court."

Judge Maria de Jesus Medel asked them if they both maintained what they had just stated.

"Yes, we maintain it," they replied in unison.

It was 1500 hours. Three relief clerk-typists had already taken their successive turns. The judge ordered a 5-minute recess, which was followed by the appearance of Martha Patricia Ortiz Romero Vargas, 29, married, Catholic, executive secretary, and currently a full-time housewife.

Visibly nervous, wearing dark glasses, which the judge ordered her to remove, Martha Particia, who entered the DGPT in 1977 as a management adviser for women, in the Iztapalapa Delegation, listened to what she is said to have declared in the PGJDF against Durazo Moreno: That she paid 4,500 pesos weekly to Arturo Marban when she was promoted to chief of the Iztapalapa License Bureau; then, 10,000 pesos to Antonio Lukini when she was transferred to the Iztacalco Bureau; that she also gave centenarios and bought tickets for raffles and wrestling matches.

But when she was asked whether she ratified her declaration, she denied everything and explained:

"Saturday night I was nearing my mother's home, where some 20 agents, in five cars, were awaiting me. They had a photograph of me. As I was dismounting from my car with my daughters they told me that I must accompany them.

"They remained at the door of my mother's home until Monday, when, in possession now of an "amparo" [a writ possessing some elements of an injunction and some of habeas corpus], I decided to leave the house. They disregarded the amparo. In spite of it, they placed me under arrest.

"Upon arrival at the PGJDF, they told me that I must testify against Durazo, that several of my colleagues had already done so. I refused to do so. But they threatened me with harm to my daughters, saying they already knew where I lived and who are the members of my family."

The public prosecutor asked the witness why she had not reported the matter to the authorities, to which Martha Patricia replied:

"To whom was I going to report it? To those who had threatened me, to those who refused to respect an amparo?"

In response to a further question from the public prosecutor, the woman identified District Attorney Victoria Adato de Ibarra as the one directly responsible for her detention.

The prosecuting attorney continued his questioning as to when she entered service, what positions she had held, who her superiors had been, from whom she received orders, and other similar questions.

Finally, at 1550 hours, the judge ordered the confrontation between the young and pretty witness and Arturo Durazo Moreno.

Durazo asked: "Did you ever, at any time, give me money or gold coins?"

[Answer] "No."

[Question] "Did you ever pass money or coins to Marban or Lukini?"

[Answer] "No."

[Question] "Did any of my colleagues ever pressure you or threaten you in order to receive money or coins from you?"

[Answer] "No."

The hearing, the longest one thus far, was declared at an end by the judge after the public prosecutor had requested a certified copy of the entire proceedings so that the PGJDF could investigate the why of the contradictions and institute criminal proceedings if warranted.

Durazo, besieged by reporters, declined to answer their questions. He simply said:

"Give me time. I know why I am asking this of you."

9399
CSO: 3248/350

10,000 NUEVO LEON PRI MEMBERS BURN PARTY CARDS

Mexico City EXCELSIOR in Spanish 21 Jun 86 pp 4-A, 19-A

[From "Political Fronts" column, by Guillermo Canton Zetina]

[Text] Jose Natividad Gonzalez Paras, president of the PRI [Institutional Revolutionary Party] in Nuevo Leon, declared that what occurred in the colonia [urban community] Valle Soleado, in the municipality of Ciudad Guadalupe, where 10,000 party members burned their credentials in protest over the fact that the tricolor party has not helped them to solve their problems, "is an act that grieves us greatly; but we must forge ahead to support and resolve their demands, and prevent the dissatisfaction that prevails."

Nevertheless, he claimed to have doubts about the burning of so many membership cards, because, "they later put one next to a heap of papers, arguing that 100,000 cards were burned. Furthermore, it is odd that this action has been taken, because, during the past 2 weeks, in this location, programs for low-cost supplies were carried out, undertaken by the party and for the benefit of the colonia residents, so that they might purchase staple products at low prices," as correspondent Jose Neme reported from Monterrey.

He explained that it was impossible to meet all the demands of the colonia residents on a priority basis, because Valle Soleado has had a demographic growth far exceeding that of the budgetary revenue. Nevertheless, with the social programs that the tricolor party has been implementing, an attempt is being made to solve their problems.

2909
CSO: 3248/543

MEXICO

CHIHUAHUA CLERICAL SOCIOPOLITICAL ACTIVITIES ENUMERATED

Mexico City EXCELSIOR in Spanish 3 Jul 86 pp 1-A, 21-A, 35-A

[For related material see JPRS LATIN AMERICA REPORT of 22 October 1985 (JPRS-LAM-089), especially pp 38-42]

[Excerpt] Ciudad Juarez, Chihuahua, 2 July--The Church and the business owners of Chihuahua have now established themselves in the center of the politico-electoral contest with obvious anti-PRI [Institutional Revolutionary Party] and anti-government convergence.

In 1983, PAN [National Action Party] sounded the opening of its election campaign with a great religious gathering summoned by the archbishop of Chihuahua, Adalberto Almeida y Medina, at the university stadium.

On that occasion, the rector of the university, Humberto Reyes de las Casas, criticized for making the stadium available for a politico-religious function, admitted that he could not refuse, because the one who had rented it (and paid 130,000 pesos for it) was the wife of the PRI senator, Jose Socorro Salcido.

Now, 3 years after the clergy's onslaught into state politics, groups of "cursillo" [lay spiritual movement] members and those from the Catholic sect known as "the charismatics" have organized to gain voters for PAN a "march and rosary for peace and honest elections," to be held next Saturday in the city of Chihuahua.

The beginning of the parade was set for 1600 hours at Glorita de Pancho Villa, and will end at the main square, with the reading of the "Catholic youth manifesto," in the presence of what is expected to be a large crowd.

The convocation to the politico-religious function states: "The youth of Chihuahua, assuming the responsibility incumbent on its generation, will express its steadfast support for peace and human rights. On this occasion, very specifically, it will call for the electoral process to be carried out honestly, thus heeding the call from our bishops to be consistent with our faith in any environment."

In a series of consultations among interested sectors and interviews with politicians, and religious and business leaders, this correspondent procured some revealing information on the situation currently being experienced by the state of Chihuahua, associated with the clergy's intervention on PAN's behalf in next Sunday's elections.

The Onslaught Began in 1983

The clergy's onslaught began in 1983, with attacks on various fronts. At that time, the great Opus Dei leader, Alvaro del Portillo, selected the city of Chihuahua as one of the sites for his endeavors in Mexico. At the same time, the PAN leadership cadres were attending seminars given by the indefatigable Venezuelan proselytizer, Aristides, Calvani, the major head of the Christian Democratic International in Latin America.

As part of the plan for "the Church close to the people," starting in January of this year the religious work with the underprivileged groups of the northwest region was intensified by the priest, Camilo Daniel. He is a very active religious involved in the propagation of the faith and of "the political reality in which the oppressed people live."

At the end of last year, Father Camilo sponsored the seizure of some CONASUPO [National Company for Basic Commodities] stores, to fight precisely on behalf of an increase in the guarantee prices of staple products. He won the battle, because the noble nature of his cause left no one with any doubt. But he also infiltrated among the rural people the notion of a "necessary, urgent change in state leadership," a cause championed by PAN in its political campaigns.

Under the auspices of the PST [Socialist Workers Party] municipal mayor of Cuauhtemoc (the place of residence of most of the Mennonites of Chihuahua), Humberto Ramos, the active Father Daniel founded the Union for the Progress of Laguna de Bustillos Peasants (UPCALA); and, with the aid of PSUM [Unified Socialist Party of Mexico] (also an active party in the political fray, making alliances of all kinds), he started up the Democratic Peasants Federation (FDC).

The priest Camilo Daniel has become something like the "Lone Ranger" of politico-religious activism, moving all over the state of Chihuahua with the speed of Pancho Villa during the revolutionary period.

The Christian Family Movement is another one of the proselytizing tentacles that the clergy or the religious organizations have placed in the service of National Action's blue and white colors.

Father Fong, one of PAN's most noted activists, has opened a group of "dining halls for the poor" in Ciudad Juarez, supported with funds from the United States. In those dining halls, the political PAN [initials spelling the word for "bread"] and the nutritional bread are shared alike.

The Chihuahuan bishop ("I was born and raised in Chihuahua, I have every right"), with the hardest line and the firmest convictions, who defends his political ideas most vehemently, is unquestionably Msgr Manuel Talamas Camandari, bishop of Ciudad Juarez. In an interview with the EXCELSIOR correspondent, he remarked:

"We all know that politics lies at the peak of all public activities, and of many of the familial and even personal aspects. This is why it is so important that there by a wholesome political activity, well shared by the citizens, so that it will not be left at the mercy of interests of powerful groups of any type."

Courageous, Yes; But Not Suicidal

Msgr Talamas Camandari, although courageous in his judgments and opinions, is not suicidal; because he knows the laws of the country in this regard and, in particular, the constitutional provisions.

He comments:

"We have no desire whatsoever to engage in party politics. But, by the same token, it has become necessary for a genuine democracy to exist in Mexico, wherein various political plans and platforms can emerge and develop, so that it will be possible in each electoral term to select the government programs that most befit the people, and the best qualified rulers to put them into effect."

Monsignor Talamas is interrupted: "You are accused of being a PAN activist."

His face becomes red, he clenches his fists, and responds in a tone of voice that is slightly louder than his usual way of talking:

"I categorically deny that assertion, because the only thing that I have done is to indicate the flaws or vices in our present political system, which prevent it from being truly democratic. There is in evidence the proven electoral fraud, the undue pressure on millions of citizens through the large labor and peasant federations, as well as the use of hundreds of millions and even billions of pesos taken from the public municipal, state, or federal treasuries. No one can deny this, because the people know about it. There is an urgent need to expose the situation, so as to hasten the time for real democracy."

As early as 19 March of this year, Monsignor Talamas, together with the bishops of Chihuahua, Torreon, Tarahumara, and Casas Grandes, published the pastoral letter entitled "Christian Consistency in Politics," with a special dedication to all the Catholics actively militating in political parties (obviously not in PRI or PSUM).

The document is a very severe analysis of the Mexican political system. The bishops' attacks are concentrated on the only party in power and on the corruption for which the government is so often criticized on all levels.

The bishops discuss pressure from the trade unions, and from the party that has set itself up as the official one; the diversion of funds from the public treasuries, and issues which Monsignor Talamas himself discussed in depth in his interview with EXCELSIOR:

"It is not legitimate for any party, whatever its mark may be (notes the high-ranking prelate), to designate itself an official party of a nation, so as to benefit totally from all the power of a government and from large financial support charged to the public budget, which should always be used to resolve the people's major requirements.

"Advocating an authentic democracy means advocating any political party of the many which could emerge and which could really fulfill the legitimate desires of the vast majority of the people, who are the ones who always end up with the short end of the stick."

2909
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CHANGES IN WORKERS' SUPPLY SYSTEM OUTLINED

PA160139 Managua BARRICADA in Spanish 12 Jul 86 p 5

[Text] Authorized sources have reported that the system to supply workers through the CST-Micoin [Sandinist Central Organization of Workers-Ministry of Domestic Trade] agreement will be expanded to all Managua supermarkets.

To better serve users of the agreement, two of the current CAT's [Workers Supply Centers]--possibly Bello Horizonte and Ciudad Jardin--will be exclusively for workers in the production sector. This includes industry, construction, transport, and energy workers.

The five other supermarkets will offer a mixed service of unrestricted sales and items included in the agreement and will be open to the general public.

This measure attempts to restore priority status to the supplies for the city's production workers. In addition, this measure will alleviate the people's demands on the CAT's and Managua supermarkets.

Another Micoin measure which is foreseen is to change the CAT card, which expired in June. A system has been devised whereby individual families will be prevented from using more than one card, thereby reducing demand and making it conform to the agreement's supply ability.

In addition, the trade unions of the enterprises that produce articles or foodstuffs included in the agreement will make sure that the planned quotas are met.

The source added that, in the near future, a network to supply footwear, clothing, and articles manufactured by small shops will be set in operation. With the exception of this last measure, the others will begin to be implemented in August.

Furthermore, asked about the recent appointment of one of the FSLN regional committee members to the post of Micoin regional director, the committee answered that this appointment was made for political reasons.

Carlos Gallo, member of the regional committee, said: "The appointment of Companera Clorinda Zelaya to the post of Micoin regional director is aimed at strengthening the Managua leadership with a political cadre."

He added: 'We know that this will not solve the supply problems. We do think however, that it will change the working style, vary the administrative outlook, and guarantee the application of the revolutionary government's programs."

Juan Jose Medina, regional director until now, and who is also an FSLN member, will continue in the Micoin delegation as deputy director.

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CSO: 3248/560

ALLAN WAGNER ON FOREIGN POLICY, NONALIGNED MOVEMENT

Lima EL NACIONAL in Spanish 15 Jun 86 Sunday Political Supplement DOMINICAL pp 4-5

[Interview with Foreign Minister Allan Wagner Tizon by Francisco Miro Quesada Rada and Manuel Cisneros Milla; date and place not given]

[Text] The active work which has been done by our foreign ministry led us to visit the office of Minister Allan Wagner Tizon, with whom DOMINICAL talked about the main aspects of our foreign policy.

[Question] Now that this government has been in office 10 months, can you further explain the guidelines of the foreign policy being pursued?

[Answer] Our foreign policy is guided by the basic principles of the government. These principles, defined as nationalistic, democratic and popular, are translated to the international sector, with the understanding that what is being sought is to promote our national interests in very specific and clear fashion as a function of the model of development the government proposes, which involves neither chauvinism nor isolationism, but rather the implementation of measures which will strengthen our sovereignty and buttress our right to self-determination.

To this end, we are trying first of all to promote a neighborly policy of detente and cooperation, as was made clear on my first trip abroad, to Quito, which also was the first time in the history of Peruvian-Equadorian relations that a Peruvian foreign minister had visited that country. During this trip we focused on all that unites the two countries, and thus one main subject of discussion was the binational Puyango-Tumbes project, of great importance to both nations. Then we initiated a series of talks with Chile, first in Arica and then in Lima, and I will soon visit Santiago with the same objective in view--detente, which in the long run will lead to dynamic and continuing collaboration between our nations. And for this reason, we will take up the implementation or observance of the 1929 treaty and reduced weapons expenditures. In this same connection, we are inviting the foreign minister of Colombia, who has not paid an official visit to Peru in many years, and the foreign minister of Brazil, who has already accepted, to visit our country. And I have just returned from Bolivia, as has been widely reported. Obviously, we are giving these neighborly relations the highest priority.

[Question] What sector is next in order of priority?

[Answer] The Latin American continent. By constitutional mandate and by ideological conviction, the government has as one of its main foreign policy goals the promotion of Latin American unity, as the only means of achieving full subregional development under conditions of security and adequate international involvement for our countries.

Two other principles of our foreign policy are anti-imperialism, in terms of rejection of any form of intervention by any great power in the domestic or foreign affairs of our country, and nonalignment, based on its original principles, which call for maintaining an equal distance between the two centers of world power, a rejection of the bloc policy they promote, and a search for a new international order characterized by increasing democracy in the making of decisions which affect peace and international security, such that small countries like ours will have prior and direct access to the decisions being made on subjects which in the final analysis affect them.

[Question] Returning to the subject of the neighboring countries, what can you tell us about the problem of a Bolivian outlet to the sea?

[Answer] I would like first of all to make a comment. It is a paradox that in the view of some people, the basic aspect of relations between Peru and Bolivia is that country's maritime problem, to the extent that its landlocked situation is the result of a war in which Peru lost a part of its territory. What we think is that Peruvian-Bolivian relations are the result of historical links and traditional cultural values, which at the same time have a present reality with a very rich potential. In other words, the search for greater integration and complementary relations between Peru and Bolivia is dictated by suchfactors as geographic situation, the democratic similarities of their governments and even, I would say, certain political affinities between their present government regimes. It is on this basis that we want to build a solid relationship, and this was the purpose of my last trip.

Now as to Bolivia's landlocked location, the picture is clear. We have an understanding attitude toward the policy of Bolivia in seeking an outlet to the sea, while on the other hand, we believe that this is a subject which affects Bolivia and Chile directly, to the extent that this outlet would be achieved through territory which is currently under Chilean sovereignty. Only in the event that the agreement they reached provided that this outlet would have to do with the province of Arica, by virtue of the protocol appended to the treaty, would prior consultation with Peru be required. But there are other probable solutions which would not require the involvement of our country in this affair. Thus there is no reason for us to make any a priori statement on this matter. And it is important to bear in mind that it was just a couple of months ago that President Paz Estensoro announced what he called a "fresh approach" to the problem of the landlocked situation of his country, and from what we know, the resumption of talks with Chile is being contemplated. At present, there is no very clear picture of the possibilities in or direction of these talks. We must await this dialogue and, when the time comes and if the circumstances require, to respond if we are consulted, always bearing in mind the national interests which it is our duty to safeguard.

[Question] Before continuing with this analysis of foreign policy, and because in any case the two are closely linked, what can you tell us about the establishment of the Foreign Trade Institute?

[Answer] As you know, the congress has authorized the executive branch to establish the structure and functions of the Foreign Trade Institute by legislative decree. Thus all of our ministries which in one way or another are involved in this field must set to work on this task.

[Question] But to what extent will the creation of this body set aside the experience accumulated by the Ministry of Foreign Affairs?

[Answer] In principle, I must say that the foreign ministry has in fact been developing professional competence in the handling of international economic policy and trade negotiations abroad, and therefore it has trained personnel. Also, at the present time it is representing the country in various bodies of an economic nature. Foreign policy, that is to say the external projection of a nation, is a part of all that can be done to achieve certain goals, to which end many channels are used. And one of them is certainly international economic relations. Thus it is not possible to make abstraction of economic policy or to separate it from foreign policy in general. Instead it must be regarded as a part of it. For this reason we have trained personnel and also an extensive infrastructure abroad. It was for this reason that one of my initial goals was to strengthen our Office of Economic Development, first of all, and then to add its efforts to those of other sectors of the government so that in complementary fashion we could place ourselves in the service of our country's foreign trade. In the assessment we made of our three trips abroad, we reached the conclusion that more than 50 percent of them have placed definite emphasis on economic development, without, however, neglecting the clearly political and diplomatic aspects.

Given the priority we assigned to this sector of our diplomatic activities, we believe that the establishment of an institute like that planned could serve to bring about better coordination of the foreign activities of the various departments of the government involved in this economic development. I believe that this development will thus be made more rational, and at the same time, we believe that it need not necessarily involve the creation of a huge bureaucracy or a great concentration of resources of all kinds. Instead, use will be made of the installed capacity which already exists, and a consistent direction will be imposed on the efforts which are being made and should be made in this field. In particular, I believe that this institute can be truly useful, and that all of us who can contribute to the achievement of its goals should do so, because the economic health of the country is involved here.

[Question] Continuing now with the order we were pursuing in this interview, is it true that we will establish an embassy in Zimbabwe?

[Answer] Yes, we have established diplomatic relations with various countries in Asia and Africa, both continents on which we have had a minimal, almost nonexistent, presence. And where Africa is concerned, we plan to establish three embassies, one after the other, since our economic resources do not allow us to do this all at once. These three embassies will be located in Zimbabwe, in the southern sector, Kenya in the southeastern portion, and Ivory Coast in the southwestern sector.

[Question] What criteria were used in making this choice?

[Answer] A complex of criteria. First of all, ease of communications with these countries, their conditions of life, location, etc. An interesting element in the case of Zimbabwe is that its capital, Harare, is one of the best developed in the area, while at the same time it will be the site of the next summit meeting of the nonaligned countries. Zimbabwe, therefore, will occupy the presidency of the movement for the next 3 years, such that it is of interest to us to have an embassy there in order to be able to contribute to the advance of this movement.

[Question] Is it possible, then, that Peru will play a strong role in the nonaligned movement?

[Answer] In fact, it is doing so. When we began our work in this foreign ministry, we revitalized this role, and the first evidence was our participation in the conference of ministers of foreign affairs which was held in Luanda, Angola, at which a complex of recommendations and initiatives, which were warmly welcomed, was put forth. For example, on the subject of the foreign debt, we set forth the position of the Cartagena consensus, and within it the Peruvian proposal, as a result of which support by this movement for our thesis was obtained for the first time in such a broad forum.

[Question] Is there a possibility that Peru will present its candidacy for the presidency of this movement?

[Answer] As the principle of rotation is being applied, and if no decision to the contrary is adopted, the next summit conference will be held in Latin America. Nicaragua has already officially offered to act as the host for this conference, and it is carrying out the appropriate procedures and contacts. It is necessary to await the decision made in Harare, although I must say that a considerable number of the nonaligned countries have indicated to us their interest in seeing Peru assume the responsibility of organizing this conference, and, as a result, occupying the presidency of the nonaligned movement.

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ESTABLISHMENT OF FOREIGN TRADE INSTITUTE

Draft Proposal

Lima EL COMERCIO in Spanish 27 Jun 86 p A-13

[Text] A commission appointed by the office of the president of the Council of Ministers will submit a draft legislative decree to the executive branch creating the Foreign Trade Institute.

As is publicly known, Law 24536 gave the executive branch the authority to promulgate provisions by legislative decree for establishing this body, which will direct the bulk of the country's foreign trade.

The commission is appointed for a period of 60 calendar days.

It is made up of Hugo Garcia Salvatecci, who is the present general manager of the FOPEX; Milton Guerrero Rodriguez, advisor to the president of the Council of Ministers, president of the enterprises in the Paramonga group, and former vice minister of trade; Salomon Lerner Ghitis, a foreign trade expert; Ricardo Vega Llona, president of the Association of Exporters; and Gabriel Garcia Pike, director of economic policy and international negotiations at the foreign ministry and an official with extensive experience in Torre Tagle.

The executive branch must promulgate the legislative decree within 90 days of the issuance of Law 24536, which was published in the official daily last Saturday.

As the president of the Council of Ministers said, the Foreign Trade Institute being created will have authority even to plan the foreign exchange needed for imports.

Its head will have ministerial rank, like the head of the INP or the SINACOSO (which will cease to exist).

The background for the institute is to be found in the economic history of the period between 1945 and 1950. In 1943, the National Foreign Trade Council was established, with the participation of the businessmen°s associations existing then and the Ministry of Treasury and Trade (now the MEF).

Peru's foreign trade total is now approximately 5 billion dollars. The ICE is designedto serve as a single tool for foreign trade negotiations.

Further Details

Lima EL COMERCIO in Spanish 2 Jul 86 p A-13

[Text] On the 10th of this month, the draft legislative decree establishing the Foreign Trade Institute (ICE) will be ready, it was agreed by the commission appointed by the office of the presidency of the Council of Ministers, which held its first session night before last.

Another decision approved was to appoint Hugo Garcia Salvatecci, the present general manager of the FOPEX, as its coordinator.

At its inaugural session, the members of the commission were presented with a project drafted by the FOPEX as a working document.

The session was attended by Garcia S.; Milton Guerrero, former vice minister of trade; Gabriel Garcia Pike, representing the foreign ministry; and Salomon Lerner Ghitis, a foreign trade expert. The president of the Association of Exporters (ADEX), Ricardo Vega Llona, is out of the city and could not attend.

Opinions Gathered

From now until 10 July, the commission proposes to gather the opinions of all the sectors involved, both state and private, as well as those of independent experts, in order to carry out the task assigned it by the executive branch, in accordance with the authority delegated by the congress.

The obvious "forced march" the intensive schedule represents is due to the need for a proper response now in terms of ongoing negotiations and prompt decisions.

The ICE, as planned, comes into existence as the country faces the crucial United Nations General Agreement on Tariffs and Trade (GATT) rounds and the adamant attitudes of the countries in the Northern Hemisphere, which are reflected in an explosion of protectionist measures.

It is explained in expert circles that, given these circumstances, relations between the body to be established and the foreign ministry will be very close.

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FERNANDEZ MALDONADO: MILITARY COUP IMPROBABLE

Lima EL NACIONAL in Spanish 2 Jul 86 pp 16-17

[Interview with Senator Jorge Fernandez Maldonado by Adriana Recchia; date and place not given; first paragraph is introduction]

[Text] Senator Jorge Fernandez Maldonado, a retired general, feels that there is most likely no desire for a coup within the Armed Forces. Fernandez Maldonado was a major figure in the first phase of the revolutionary government that Gen Juan Velasco Alvarado led, and his statements are of vital importance at a time when our democracy is being buffeted by the bloodthirsty savagery of Shining Path and as the climate of violence seems to have worsened in recent weeks.

EL NACIONAL: Senator Fernandez Maldonado, how do you view the situation in our country, which has grown dangerously worse in recent days with the tragic events at the prisons?

Jorge Fernandez Maldonado: In my judgment, our country is currently going through one of the worst political crises in its history. It is a crisis in which all Peruvians are caught up in a spiral of violence and in which we are losing respect for life, especially the life of our many underprivileged people. The structural violence of hunger and poverty that the bishops of Medellin and Puebla have spoken out against has been a breeding ground for the subversive violence of Shining Path. And the subversive violence has triggered the repressive violence of recent years.

EL NACIONAL: Who do you hold responsible for what happened in the prisons, where an as yet undetermined number of accused terrorists perished?

Jorge Fernandez Maldonado: The responsibility for these tragic events is fundamentally political, and it stems from the fact that the structural violence of which I spoke has not yet been ended. During his visit to our country Pope John Paul II himself said that in the eyes of Christianity the wide gaps that exist between those living in luxury and the underprivileged masses are a true scandal and insult.

The APRA [American Popular Revolutionary Alliance] agenda is reformist, and I agree with Lopez Chauve, who defined it as a "reform without reforms." This is all the more serious, because from July 1985 to the present the ruling party has not taken a single step that could be regarded as a real reform to correct the structural injustices that persist in the country.

As far as the events at the prisons are concerned, the government is fundamentally responsible because so far it has been unable to bring about true prison reform, nor did it take precautions to prevent what we all knew was brewing. The Colombian writer Gabriel Garcia Marquez could well have written a tragic novel about Peru entitled "Chronicle of a Riot Foretold." It is also responsible because it ordered a reorganization of the Armed Forces that we have repeatedly criticized, and the country can now more clearly see the failure of this morality campaign.

EL NACIONAL: In your judgment, what responsibility do the Armed Forces bear in the bloodstained quelling of the riots?

Jorge Fernandez Maldonado: The Armed Forces were given responsibility that formally comes under Article 231 of our constitution. They can and must take up that responsibility when the president of the republic so orders them. However, they should not have been given that mission, because the government should have resorted to other means, among them, exhausting every possibility for a dialogue or ordering less violent moves, such as tear gas bombs or cutting off food supplies, which it did not.

EL NACIONAL: But the fact is that in the end prisoners were "rubbed out," as the president himself reported.

Jorge Fernandez Maldonado: The information available at the moment is limited to what happened at Lurigancho Prison, specifically the slaying of 35 inmates by Republican Guard troops, as the president recently reported. In this regard, I am in complete agreement with the measures that have been taken to imprison the people responsible and hold them for trial.

If others excesses are discovered, I think that the government should punish them severely as well without any hesitation.

EL NACIONAL: Some segments of public opinion feel that the violent quelling of the prison rioting by the Armed Forces is part of an overall strategy to eliminate the enemy that goes far beyond the simple revenge of "a sleeping lion" who has finally woken up.

Jorge Fernandez Maldonado: This is precisely why I indicated at the outset of the interview that we are going through one of the worst crises in Peru's history, in which anything can happen. Calling on the Armed Forces to put down a riot by political prisoners is entering a mine field that could interrupt the functioning of our democratic institutions.

The Armed Forces and Democracy

EL NACIONAL: Just 2 years ago, the then commander in chief of the army, Julian Julia, told a political events magazine that as far as Armed Forces officers were concerned, coups were things of the past. Does this democratic mentality still exist?

Jorge Fernandez Maldonado: I think so. I don't think that the Armed Forces are thinking about getting involved in politics through a coup d'etat, mainly because they would have to tackle too many problems, and I don't know whether it's in their interest. But what I do think could emerge is a sort of "power behind the throne." It could be likened to what happened in Uruguay, in other words, although the term is not felicitous, the "Bordaberrization" of the government.

But there will be no coup d'etat, at least for the time being. No one can say for sure about the future. I wouldn't venture to speculate on that possibility.

EL NACIONAL: Certain political observers asserted at one point that the logical corollary to an APRA government would be a coup d'etat, owing to the historic rivalry between the Armed Forces and APRA...

Jorge Fernandez Maldonado: The anti-APRA feelings of the Armed Forces were used by the oligarchic Right and American imperialism when APRA, at its outset, posed a threat to their interests. In those days the best way to head off APRA was through the Armed Forces. We were unquestionably used. That is definitely no longer the case.

If there was criticism during General Velasco's revolution, it was from a revolutionary perspective, in the sense that APRA had lowered the banners of the revolution.

At the moment there are no anti-APRA feelings within the military. What I think worries the Armed Forces is that the previous regime and this one have not taken specific steps to attack the underlying causes of subversion. Until now the battle against Shining Path and the Tupac Amaru Revolutionary Movement has rested exclusively with the Armed Forces, and no consideration has been given to other important areas that have to do with this phenomenon, such as social, economic and political issues. Although the government has issued directives in this regard, it has not yet managed to translate them into specific actions. This I do think affects the Armed Forces and is the reason for their concern.

The Military Right Wing and Shining Path Want a Coup

EL NACIONAL: The recent events at the prisons carried extremely high political costs, in addition to causing loss of life. The image of Peru's fledgling democracy, as the world knows it, suffered a serious blow, not only at home but abroad as well. Did anyone come out a winner?

Jorge Fernandez Maldonado: Unquestionably Shining Path and the reactionary Right, which want a coup d'etat. Shining Path wants to heighten contradictions because it knows that as things are going, there could be a coup, not a coup like Velasco's but one like Pinochet's, unfurling the banners of the most rabid anticommunism, where all of us would be suspected of belonging to Shining Path.

The other big winner was the retired military right wing, whose visible leader is the brazen Gen Luis Cisneros Vizquerra. He must be overjoyed at what happened.

EL NACIONAL: How much of a desire is there for a coup among active Armed Forces personnel?

Jorge Fernandez Maldonado: Aside from Cisneros Vizquerra's championing of a coup, I don't see that sort of attitude among active-duty officers.

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PEACE COMMISSION MEMBER ON PRISON RIOTS

Lima OIGA in Spanish 23 Jun 86 pp 22-25

[interview with Peace Commission member Cesar Rodriguez Rabanal by Pedro Planas; date and place not given; first two paragraphs are introduction]

[Text] "The Peace Commission was completely immersed in its study of violence. It set up study groups to investigate the relationship between the mass media and violence, the cultural clash between the Western and Andean world views and the need to overhaul the curriculum of the Police Forces. It brought together intellectuals such as Matos Mar, Max Hernandez, Juan Ossio and Alberto Ferreyros. And then suddenly, boom...came the incidents at the prisons." Psychoanalyst Cesar Rodriguez Rabanal, a member of the Peace Commission, thus described to us how the coordinated rioting by Shining Path inmates took them by surprise and how, practically halting what they regarded as the most important aspect of their work (their study on peace), they had to go to El Fronton and ask for consideration, dialogue and, if possible, a peaceful surrender of the accused terrorists who had taken over the Blue Wing on the island.

"That was my first visit to El Fronton," Rodriguez Rabanal admitted to us. "Previously we had just gone to Lurigancho after the tragic incidents there last October. That was the first Peace Commission that was appointed. We had contact with the inmates and we got the prison to open up its information policy, to make it more up front. But we went there after everything had already happened..."

[Question] You didn't have "contacts" this time?

[Answer] Yes we did. We had contacts in the women's prison. We were given a list of demands, some political, some humanitarian, which we thought could easily be met. We submitted it to the president.

[Question] Easily met?

[Answer] Yes. For example, a substantial improvement in medical care, in prison living conditions, a better assistance program. Another demand had to do with visiting hours...

[Question] Did they mention not being transferred to Cantogrande?

[Answer] Well, I don't really remember, because we were concerned with the humanitarian angle. There were demands for improvements to Santa Barbara Prison itself.

[Question] But the inmates at Santa Barbara were not acting in isolation, nor were they talking just about that prison. The move was coordinated in the three prisons, and they were apparently demanding that the justice minister sign a document guaranteeing them that they would not be transferred to Cantogrande Prison...

[Answer] I suppose so. But now there are so many details about what was done, about the motivations, that I too am getting information from the papers.

[Question] But what is the Peace Commission's opinion? Do the incidents have something to do with the fact that the inmates were not transferred to Cantogrande, after Cantogrande had already been opened?

[Answer] Look, I don't think that this was a last-minute problem. It stems from a policy of neglect over at least the past 5 years, during which time there has been a misunderstanding of the rights of others.

[Question] Do you think, then, that there is greater respect for the rights of inmates under Alan Garcia's administration, as we look at it today.

[Answer] If the government intends to meet the demands of all Peruvians, then obviously it must show concern for the lot of the least privileged Peruvians, and among these least privileged Peruvians are our prison inmates. But I would rather not voice an opinion here like a politician, because I am not a politician. The commission was restructured, and the second group includes no politicians (apparently referring to Diego Garcia-Sayan). It consists of people who are in a position to do some general thinking on, for example, the awareness about human rights in Peru. The level of awareness about human rights in our country is extremely low, and it must be studied and raised. The issue of human rights is often politicized, when human rights ought to be above all ideologies.

[Question] Do you mean that the Peace Commission will defend the human rights of the dead inmates?

[Answer] Of course. We have to defend everyone's human rights. We deeply deplore the loss of life. When we went into the prisons, we tried to prevent loss of life among both the inmates and the hostages. A commission that regards the right to life as its guiding principle cannot make a distinction between groups.

[Question] But let's be more specific, Dr Rodriguez Rabanal. Don't you think that the inmates' refusal to dialogue and the subsequent "extermination" of the Shining Path prisoners clearly show that the Peace Commission has been a failure?

[Answer] That is a matter of interpretation. We view peace as a very long and very difficult process, with gains and setbacks. The incidents at the prisons are obviously a very heavy blow to us as the Peace Commission and as individuals, because the blood of many brothers, of many Peruvians, of many innocent people has been shed.

[Question] Do you think that there were innocent people among the inmates who died in the skirmishes?

[Answer] I do not think that can be ruled out. Some of them had not even been tried, so it is hard to say whether all of them there were really guilty of terrorism.

[Question] Armando Villanueva has announced that he will set up a fact-finding commission made up of the vice presidents of the Socialist International. What does the Peace Commission think of this other commission?

[Answer] Villanueva made the announcement at the International's plenary session. The initiative stems from the meeting, from the Presidium of the Socialist International. The Peace Commission has not been informed of anything in this connection.

[Question] If President Garcia ordered the riots quelled at the prisons, then isn't the appointment of this commission illogical?

[Answer] I would rather not get into political details. But I am sure that the president gave the orders to quash the rioting. However, I don't know who specifically was in charge of the operations.

[Question] Well, but President Garcia has fallen back on a sentiment that is very deeply rooted in the population, in the common people and even in the poor (we have heard it expressed on television), to the effect that the members of Shining Path in El Fronton had to be "exterminated" because they "were of no use to society."

[Answer] As members of the commission we were horrified to hear these commonly voiced opinions from people calling for the "elimination" of these "animals." I've heard people say that. We cannot banish death by eliminating the people who kill. Nothing could be more mistaken. On the contrary, we have to avoid getting caught up in a spiral of violence. Violent retaliation is never going to do away with violence. On the contrary, it will perpetuate it.

[Question] In light of President Garcia's decision, might the Peace Commission assert its autonomy and issue a critical assessment of the events? Or doesn't the commission have real autonomy?

[Answer] If we did not have autonomy, in the long run we would not be able to function. There is no predisposition in Peru to accept autonomous institutions that make truly autonomous decisions.

[Question] Have you thought about doing something, as a Peace Commission, about the events in Lurigancho and El Fronton?

[Answer] Well, the Peace Commission was not investigating matters like these. We were obliged by circumstances to become involved. We were keeping a very low profile, conducting studies on structural violence. And then suddenly these unexpected developments in the prisons catapulted us again to the forefront...

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CARLOS ANGULO ON SEIZURE OF EL NUEVO DIARIO

Lima EQUIS X in Spanish 23 Jun 86 pp 26-28

[Interview with EL NUEVO DIARIO director Carlos Angulo by Eduardo Alegria Martos; date and place not given]

[Text] At 3:30 am on Thursday, 19 June, agents of the DIRCOTE entered the offices and the printing establishment where EL NUEVO DIARIO is published, and they subsequently confiscated copies of that day's edition from the newspaper stands. This is a serious violation of freedom of the press. In a related action, members of the PIP have threatened the owner of La Rotativa, S.A., the printing enterprise which publishes this newspaper. In addition, police agents were posted at the door of the workshop to prevent newspaper workers from entering, with orders to arrest them immediately.

EQUIS X, which is opposed to any arbitrary action, particularly when it attacks freedom of expression, made its pages available to the director of EL NUEVO DIARIO, Carlos Angulo, so that he could explain how this abuse came about.

His explanation follows.

The Invasion

[Question] How did events develop?

[Answer] At 3:15 in the morning on the 19th of this month, PIP agents rang the bell. The guard on duty opened the peephole in the door, and the police told him they wanted to search the premises, since they had been warned that a bomb had been placed inside. The guard was caught by surprise and let them in.

[Question] How many of them were there?

[Answer] There were approximately 40 men, who arrived in several light trucks. On entering, they proceeded to search every corner. They began by asking where the newspaper was printed, because they thought that this was done at these premises. But the guard did not know where the daily newspaper was printed, so he could not tell them.

[Question] What did they do then?

[Answer] They telephoned the distribution center, and after waking up the lady in charge, they asked her for the address of the printing establishment. And as they had come to our premises in error, they left.

[Question] They took nothing?

[Answer] No, they simply searched everywhere.

[Question] You spoke of a first invasion. What about the second?

[Answer] On the second occasion, the PIP appeared at the printing premises in Miraflores at about 6 am. But the edition had already been sent out for distribution.

[Question] What is the name of the printing enterprise?

[Answer] La Rotativa, S.A.

[Question] Were there threats prior to this incursion?

[Answer] Not in recent days. But with the earlier DIARIO DE MARKA, yes. When we were located at Salaverry Avenue and Petit Thouars, written death threats addressed to me and some journalists were received. They were signed "the navy never forgets."

Publication Prohibited

[Question] What did the police do at the printing establishment?

[Answer] They threatened the owner if he continued to print the daily newspaper, and they left behind a truck with various PIP agents to prevent EL NUEVO DIARIO workers from entering, on pain of arrest.

[Question] They did not return?

[Answer] Yes, they did, in the early morning on the 20th. This time, they shut off the electricity and destroyed the plates which they thought were for EL NUEVO DIARIO, although they were for another publication. We do not publish secretly, but in full legality. That same night, the 20th, they did the same thing at the editorial offices of the periodical CAMBIO.

[Question] What other actions were carried out by the PIP on the 19th?

[Answer] They confiscated all the copies of EL NUEVO DIARIO for that day from all of the newspaper stands, carrying off 80 percent of edition. We then called a press conference for noon on the 19th. While we were inviting journalists to attend by telephone, they interrupted our service, although we were not behind in our payments.

[Question] Who attended the press conference?

[Answer] Representatives of a number of local media organs and the international press. The correspondents of France-Presse, ANSA, Prensa Latina, Reuter and DPA, the German agency, were there.

Legal Actions

[Question] What steps did you take to clarify this matter?

[Answer] First of all, we addressed ourselves to the prefecture, but Prefect Del Castillo was not there. We dealt with Deputy Prefect Jorge Bardelli Herencia, who told us he was unaware of these events and that the government had not ordered them. But they might have been ordered by the Joint Command. Then we presented our complaint about this outrage to the provincial prosecutor on duty, and we sent both statements to the daily newspapers in the capital, which, regrettably, published absolutely nothing about what had happened. We also paid a visit to the College of Journalists.

[Question] What other institutions did you visit?

[Answer] We went to the Ministry of Justice, but got no satisfaction except for an explanation from a public relations employee. Then we went to Government House, in the hope of talking with the press secretary, but no one would see us there either. We went to the SINACOSO with the same results, and the only recourse left us was to turn to the domestic and international press.

[Question] Did you pay a visit to the Joint Command?

[Answer] No.

[Question] What will you do to get EL NUEVO DIARIO going again?

[Answer] We want a response from the government, because the state of emergency does not suspend the right to freedom of expression, and as the constitution says, those who prevent media operations are committing a crime.

[Question] Where would you place the blame for these deeds?

[Answer] We are appealing to the Office of the Prosecutor General for an explanation of this situation, and to the Ministries of Justice and Interior, as well. If we get no response from them, it will be evident who is to blame.

They Want to Silence Us!

The following is a statement issued by EL NUEVO DIARIO.

"We address the public to report that at 3 am on 19 June, 40 agents of the PIP forced their way into our editorial offices on the pretext of "looking for bombs," but with the actual intention of confiscating Issue No 56 of our newspaper. After searching the offices, they departed, frustrated because they had not found the publishing equipment they wanted to destroy.

During that early morning period, the natural and juridical persons connected with our enterprise received intimidating telephone calls, threatening them if they continued to attempt to publish EL NUEVO DIARIO. Neither the search of our offices nor the campaign of intimidation brought the PIP any results, and the edition of our newspaper was normally distributed that day. Then a more serious event occurred. Hundreds of policemen detained the agents who were distributing our newspaper and proceeded to seize all copies in Lima and Callao, stand by stand. In brief, Issue No 56 of 19 June was confiscated by the police.

These actions constitute a clear violation of one of the basic rights of democratic life. They represent the violation of the right to freedom of opinion and expression, freedom of the press. The best part of humanity has fought for these freedoms for centuries, and they are set forth in the Universal Declaration on Human Rights proclaimed by the United Nations General Assembly on 10 December 1948 and incorporated in Peruvian legislation by means of Legislative Resolution No 13282 dated 9 December 1959.

However, all this has happened to EL NUEVO DIARIO, with violent means being used to block the freedom to report, express and circulate opinions freely.

Lima, 19 June 1986.

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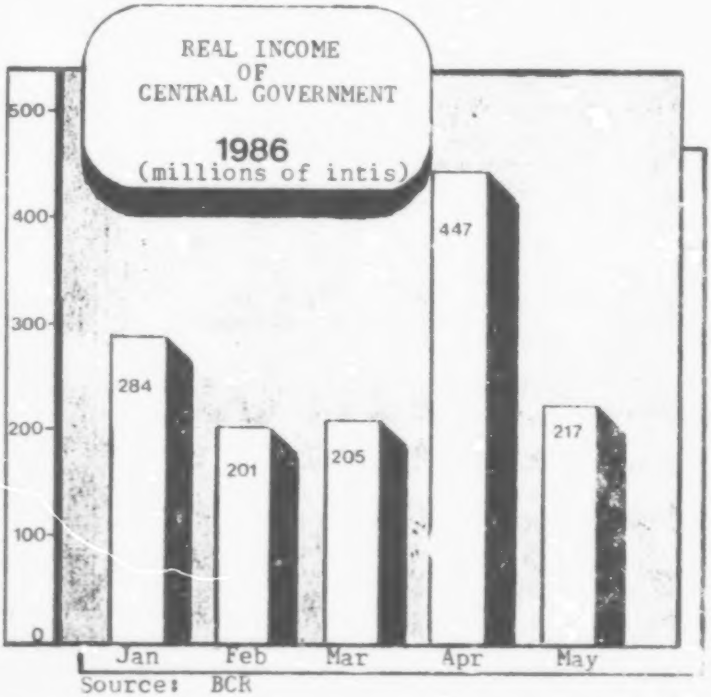
JANUARY-MAY 1986 REVENUE FIGURES

Lima EL COMERCIO in Spanish 2 Jul 86 p A-13

[Text] The chart below shows the development of the real income of the central government between January and May, according to the weekly report of the Central Reserve Bank dated 19 June. It can be observed that the figures for May, following the high seasonal income in April due to the payment of taxes, are similar to the figures for February and March.



Source: BCR

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DECENTRALIZATION OF STATE ENTERPRISES TERMED 'VITAL'

Lima EL COMERCIO in Spanish 24 Jun 86 p A-1

[Commentary by Alejandro Tabini]

[Text] Because decentralization of economic activity in general is vitally important for real national integration and economic development and because state organizations and state enterprises fall mainly within that program, I think that it is appropriate to explain some concepts. I am afraid that there is a great deal of misinformation on business management which leads to overly simplistic opinions and evaluations of the problem.

In the 4 May 1986 edition of the newspaper EL COMERCIO, I published an article and a plan on how to group the different state enterprises that would remain state enterprises. We said that holding companies are enterprises that hold shares in the enterprises of a certain group. Representing the owner or owners of the business or businesses (in this case, the state), they establish the policy to be followed by the branch businesses. Their objective is to approve: capital expansions, budgets, sales of shares, financial statements, and everything that normally falls to the shareholders in private enterprise. In short, the holding company represents the shareholders and each enterprise has its board and general management.

Now, under decentralization, we must understand that all the personnel that works in a certain enterprise, including the management and board, must reside where the enterprise operates since it is made up of people who must work in teams. We must also understand that the holding company (representative of the shareholders and technical supervisory personnel of all the enterprises in the group) must reside and work in the capital--that is, in Lima.

For example, ELECTROPERU [Peruvian State Electric Power Enterprise], holding company for the electrical group in the country, would be under ICSA [Cofide Investments, S.A.] as a specialized subholding company with residence in Lima. However, the boards, management, and personnel of Electro-Sur, Electro-Oriente, Electro-Norte, Electro-Centro, Hidro-Andina, ENSA, SOC Sub-Oeste, and Electro Lima would have to reside in the work centers of each enterprise.

I listed the rest of the sectorial holdings, which cover all the activities in which the state can and should intervene, in the EL COMERCIO article:

PETROPERU [State Petroleum Agency], Electro-Peru, ENTEL [National Telecommunications Enterprise], Senapa, ENCI [National Enterprise for Industrial Marketing], TransPeru, MINEROPERO [Peruvian State Mining Enterprise], INDUPERU [Peruvian State Industries], and PESCAPERU [State Fishmeal and Fish Oil Production Agency]. If that plan is applied to them, it is not hard to see that a large number of people in the enterprises in each group will have to move. It is a process related to the reorganization of the entire state business complex. Only the smallest part, common to all the enterprises in each group--that is, the personnel of the holding companies--would remain in Lima.

Therefore, speaking calmly of transferring PETROPERU and other state enterprises, the uninformed public is led to think that enormous buildings will be built in each place similar to those in Lima and everything transferred together. They are also led to think that it is something that can be done in a few weeks. That is not true. It is, I repeat, a process that will take several years and that will be difficult, if not impossible, unless there is a very firm political decision by the government to grant CONADE the right to have all the state enterprises under its control. Right now they are dispersed under several ministries, banks, etc., forming a true jungle. They must be regrouped for effective decentralization without having the state lose control of its investments which are the investments of all Peruvians.

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CSO: 3348/660

RESUMPTION OF GOLD MINING OPERATIONS FORESEEN

Details on Decision

Lima EL COMERCIO in Spanish 23 Jun 86 p A-16

[Text] Puno, 22 Jun--The rich gold deposits of San Antonio de Poto in Ananea district, Sandia Province, will begin to be mined again within 18 months with an approximate investment of $18 million.

This information was provided by an official of MINEROPERU [Peruvian State Mining Enterprise].

That investment includes the acquisition of everything necessary for the execution of those plans, installation of the camp, electricity, machinery, other installations, and supplies.

According to what was announced, technicians are now prospecting in Poto for larger reserves, a task that will take about 6 months.

Some proposals for financing and machinery for mining using the system of dredges have already been received.

It should be recalled that about 12 years ago, before the frustrated socialization of mining was attempted in this department through the firm called MINEROPERU EPS [Social Property Enterprises], a group of workers left the firm Natomas. It mined about 15 kilos of gold per month in that major deposit of gold sand. They abandoned the work basin and the dredge until now.

It is said that the dredge is useless now because of its long use. Also it was dismantled by the workers when they left.

One measure being considered in order for the Puno zone to regain its importance as a mineral producer and to provide more jobs in that sector (which now employs only 2 percent of the economically active population of Puno) is that the Mining Bank as well as to the university should take a more active part in mining. Also the new mining law should include incentives.

The official stated: "It is impossible to collect debts from the miners who failed looking for ore." This is what he considers bad about the bank.

He added: "What are they going to take away from that worker who was left without anything because the mine did not produce anything?" They will only drive him away from mining, he concluded.

University of Puno Offers Support

The Technical University of Puno can advise the miners to avoid useless investments that will lead them to failure. He explained: "In the mining production process, there are three well differentiated stages: extraction or production, processing, and marketing."

The small and sometimes the medium miner almost always fail in the last stage. When trying to sell the fruits of their labor, they find that the prices do not replace their capital and they lose their money. Here is where the university can help revitalize Puno mining.

The new mining law will include some incentives for small miners.

Gold Exploitation Deemed Important

Lima EL COMERCIO in Spanish 24 Jun 86 p A-2

[Editorial]

[Text] According to reports provided by officials of MINEROPERU, the rich gold deposits of San Antonio de Poto in Ananea district, Sandia Province, Puno Department, will soon be mined again.

The news is very important and demonstrates the possibility of prompt recovery for our local mining. The work will begin within 18 months with an investment of some $18 million. As a prior step that will take about 6 months, there are already several technicians in the zone prospecting for larger reserves.

There are proposals for financing and machinery for mining using the system of dredges. It is an investment that permits complete implementation of the mining expansion plans from the installation of the camp to complementary installations and supplies including electricity and machinery.

Gold revitalization in the area will return an important source of foreign currency to Peru through an increase in this traditional export.

This expansion will make it possible for this struggling department to regain its position as a mineral producer and create many jobs to somewhat alleviate a situation in which only 2 percent of the economically active population of the region has full employment.

The collaboration of the Mining Bank as well as the university is indispensable for the success of this project. They have already offered their support and will help the small miners directly or advise them in the three stages of the process: production, processing, and marketing.

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CSO: 3348/660

LOW PRICES FORCE MINES TO CLOSE

Lima EL COMERCIO in Spanish 27 Jun 86 p A-13

[Text] The crisis caused by low international prices continues to affect small and average miners, according to National Mining and Oil Company reports.

To the shutdown of the Aguila, Atalaya, Canaria, Chapi, Cata, Rio Pallanga and Posco mines already announced, the suspension of work at 17 other mines of medium size must be added.

These are the mines of the Cochas, Chuvilca, La Virreyna, Tayacaja, Pomasi, Martha, Lourdes, Aurifera Ana Maria, Kromar, Rosalia, Nueva California and Piedra Parada companies, which together employed more than 5,000 workers.

Also, operations have been abandoned by about 280 small miners engaged in regular traditional, but not mechanized, production.

Another indicator of the crisis is the fact that, for example, the Mineral-Peru Comercial warehouse in Juliaca has been receiving between 800 and 900 tons of ore per month, while to date, only about 30 tons of ore have been purchased.

In view of this situation, the National Mining and Oil Company, of which Jorge Bravo Bresani is president, reiterated the need for the promulgation of various reliefmeasures in a telex message addressed to Vice Minister of Economy Gustavo Saberbein Chevalier.

Such measures include:

--The suspension of the 2 percent and 3 percent taxes on exports to which Legislative Decree 190 refers;

--Suspension of payment of the first tax quota on business assets;

--Suspension by the Mining Bank of payment of the first quota of the Focomi credit, second stage, created by Supreme Decree 224-82-EFC;

--Expansion of the credit line apparently limited thus far to nontraditional exporters, to traditional exporters, up to $70 million; and

--Publication of the foreign-exchange resolution increasing the participation of small and average mining producers on the financial market from to 10 to 30 percent. Although this is inadequate, it would improve their weak financial position.

Bravo Bresani stressed that a continuing dialogue is being pursued by the miners and the MEF.

According to the SNMP studies, the situation with regard to the assets of the mining enterprises of medium and small size has deteriorated considerably in the course of recent months because of the steady decline in international prices and the current foreign-exchange policy, with the result that the balance point overall has dropped below the zero profitability level.

International ore prices are in general lower than the averages for last year and the preceding years.

In May, for example, silver was at $5.11 per ounce as compared to $6.14, the average for 1965. Zinc sold for $836.50 per ton in 1985, and was at $731.10 in May. Copper remains at $0.634 per pound, while lead has dropped slightly from $17.70 to $17 per pound.

With regard to the foreign-exchange policy, the parity index for small and average mining enterprises has dropped, reaching 90.3 percent at the end of May and causing a deterioration in the situation of the enterprises. The situation is even worse for large mining enterprises, according to the SNMP.

On the other hand, a preliminary analysis of economic results based on a sampling of 22 average mining enterprises gives cause for worry, the SNMP says. In the first quarter of this year, 12 enterprises had already reported negative figures.

The cumulative losses for the enterprises included in the sampling showed an increase from 22 million intis for the first quarter of 1985 to 65 million for the last quarter of 1986.

In the view of this representative body, this situation shows a real erosion of the assets of the majority of the enterprises. "The downward direction in the development of the index is obvious, and it will be aggravated in the coming months if the trend in actual parity for production sale prices is not reversed."

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PUERTO MALDONADO-BRAZIL TRANSIT MEASURES

Lima EL COMERCIO in Spanish 2 Jul 86 p A-15

[Text] Puerto Maldonado, 1 July--In order to cross into the frontier zone in Brazilian territory, in the state of Acre, Peruvian citizens need only present their voters' registration cards and a document issued by the immigration and naturalization office in Puerto Maldonado.

This measure, which is provisional in nature, eliminates the requirement for a safe-conduct, and was established on the basis of the closely coordinated efforts of the prefect of Madre de Dios; Ricardo Lopez del Aguila, the governor of the state of Acre, Nabor Junior; and the Peruvian consul in Rio Branco, Marco Nunez Melgar Maguina.

It was announced that these requirements for transit through Brazilian territory have the endorsement of the government in Brasilia, and that the Peruvian foreign Ministry is working on official approval.

Office Overload

The immigration office in Puerto Maldonado is staffed by one PIP officer alone, 2nd Lt Edgar Pellissier, whereas a number of individuals are needed to deal with the applicants for its services.

The office lacks the proper equipment and has not a single vehicle, despite the fact that the intensive airport traffic makes transport a constant requirement.

Planes from Rio Branco in Brazil and Cobija and Riberalta in Bolivia land here frequently.

In addition, the harbor master's office must deal with the arrival of ships plying the Madre de Dios River, bound for the Bolivian towns of Puerto Heath and Riberalta.

There are zones in which the immigration office has no representative, so that its duties must be taken over by the Republican Guard, which has stations along the frontier sector.

Control Posts

Because of the vastness of the boundary area between Peru and Brazil and Bolivia (528 kilometers), Prefect Ricardo Lopez del Aguila has ordered the establishment of immigration checkpoints at such key sites as Inapari, on the banks of the Acre River (Brazilian frontier), and San Lorenzo (Bolivian frontier). This last town is linked with the capital of the department of Pando (Cobija) in the high plateau republic by a road 90 kilometers long.

Both zones (Inapari and San Lorenzo) are seen as areas in which frontier control of foreign citizens is necessary.

Critical Situation in Inapari

Prefect Lopez del Aguila said that a critical situation has recently been noted in the town of Inapari, the capital of the province of Tahuamanu. The town lacks doctors and medicines and telephone service, and does not even have a postal and telegraph office.

The residents told him that they do not even have a priest to serve their spiritual needs. In addition, they added, the road linking Inapari and Iberia is now impassable.

Lopez del Aguila recently visited this zone, which is located to the north of Puerto Maldonado, with an inspection commission from the Ministry of the Presidency headed by Dr Eligio Vargas Haya.

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CSO:3348/679

BRIEFS

TAHUAMANU PROVINCE SETTLEMENT--Puerto Maldonado, 1 July--The first group of settlers from Camana (Arequipa) arrived in a Hercules aircraft belonging to the FAP 12 days ago, to establish themselves permanently in the province of Tahuamanu to the north of Puerto Maldonado. The group included 140 men, mainly young ones, along with five women and six children. They will settle in a vast area which has been named Chilina, in honor of their place of origin in the neighboring department to the south. Initially, the settlers will be provided with individual or family support loans from the Agrarian Bank. The granting of capitalization loans on an associational basis is also being considered. The group was accompanied on its arrival by the deputy for Madre de Dios, Simon Gonzalo Horna Mejia, and two officials of the Madre de Dios Special Project, Hector Valcarcel Toullier and Victor Calle Loarte. The settlers were taken by truck to the settlement of Alerta, 118 kilometers to the north of Puerto Maldonado. From there they had to proceed by ferry and on foot over a distance of 50 kilometers to San Lorenzo and Iberia, because of the poor condition of the bridges and various sections of the road, which were impassable for heavy vehicles. It was reported that this group is the first contingent of 150 individuals who will settle in Chilina, 18 kilometers to the north of Iberia, this year. The settlers belong to the Single Association of Future Workers from Camana. Their transfer to this zone represents the first effort by the government to settle and develop an area in the department of Madre de Dios, in the southeastern part of Peru. [Text] [Lima EL COMERCIO in Spanish 2 Jul 86 p A-14] 5157

JUNE INFLATION **FIGURES** --According to the National Statistics Institute, inflation this June came to 3.6 percent, or in other words, 0.3 percent more than the rate for May. As is publicly known, the parallel index calculated every month by the Apoyo organization came to 3.2 percent for last month. The INE announced at the press conference held to provide journalists with the consumer price index for metropolitan Lima that inflation thus far this year has reached 28.5 percent, or 76.8 percent on an annual basis. In the key food, beverage and tobacco category, the rate was 3.0 percent, below the inflationary average. The category showing the highest rate was clothing and footwear (7.9 percent) and others (5.12 percent). The rents category showed an increase of 3.4 percent, furniture 3.0 percent, recreation and culture 3.9 percent, and health care and maintenance 2.7 percent. The "family basket" category which ended the month with the lowest inflationary rate was that for transportation and communications (0.9 percent). In this last sector, the components, including rates for public services and transportation, among others, were for the most part frozen. In the first 5 months of the year, the inflationary indices were as follows: January 5.2 percent, February 4.2 percent, March 5.3 percent, April 4.1 percent and May 3.3 percent. [Text] [Lima EL COMERCIO in Spanish 2 Jul 86 p A-13] 5157

TALARA OIL DISCOVERY--A new well has developed a daily production of 2,300 barrels of crude oil. It is located on the continental shelf opposite Lobitos, in the province of Talara (Pirua). The president of the board of directors of Petromar, S.A., Engineer Alberto Vera La Rosa, confirmed the discovery yesterday in a brief statement to EL COMERCIO. "On Platform L-O-13-18, the drilling equipment reached the basal salt level, approximately 8,300 feet down, in a well which should yield 2,300 barrels of oil per day," he said. Unofficially, it was learned that in 16 consecutive hours of checking, the yield reported was 1,426 barrels. The mathematical averages calculated by the technicians bear out the production total announced by Engineer Vera La Rosa. Also, it was reported that at the present time, the Petromar wells in Talara are yielding an average of 26,000 barrels per day, so that the new well will increase the production of this region by approximately 10 percent. [Text] [Lima EL COMERCIO in Spanish 27 Jun 86 p A-1] 5157

METEOROLOGICAL STATIONS AID AGRICULTURE--With the 100 meteorological stations being established at various points in the country, a system of information on farming and weather factors which will serve as a basis for the planning of agricultural production is being created. The work has already been completed throughout the mountain and northern coastal zones, where 34 stations are now functioning, and similar work is soon to be finished on the southern coast. Later, the forest region will be included. A program called Farm Weather Impact Assessment is being carried out jointly by the Ministry of Agriculture and the National Meteorological and Hydrographic Service (SENAMEHI). Technicians from the farm regions in this city, Lima, Arequipa, Moquegau and Tacna will meet beginning on Tuesday, 1 July, to launch the implementation of the project on the southern coast. It calls for initiating the drafting of harvest yield estimates in these farm regions soon. They will be based on the effect on crops of agrometeorological factors such as humidity, temperature, hours of sunshine, and water supplied by rivers, dams and reservoirs. The Ministry of Agriculture has said that on the basis of this data, it will be in a position to make decisions pertaining to farm production surpluses or shortages. The program is being carried out under the terms of an agreement between the Peruvian and U.S. governments, through the Agency for International Development. According to the established, goals the installation of the farm weather data system should have been completed throughout the country by the end of the five-year period ending in 1988. [Text] [Lima EL COMERCIO in Spanish 29 Jun 86 p A-3] 5157

RICE PRODUCTION FIGURES--The rice production total for Peru this year will be 70,000 metric tons, the Ministry of Agriculture announced after signing an agreement with the Rice Producers' Committee. In this agreement, both parties promise to carry out joint actions to increase the production of this crop next year, when it is hoped that 1,200,000 metric tons can be produced. They also agreed on the new guaranteed prices for unhulled rice as of 1 June, with an increase for the coast from 3.2 (price last February) to 3.9 intis per kilogram, while for the forest region (including Jaen and Bagua), the increase will be from 3.3 to 4 intis per kilogram. According to the producers, the increase which became effective last February made it possible to extend the plantings of this grain over significant areas at that time. Now, in connection with this agreement, they have said that the policy of establishing guarantee prices at the beginning of each rice season, based on a review of production costs and field yields, was wise. They said that what prevented the normal development of the rice season was the irregular weather in recent months, such that the government had to import hulled rice to supply the people. The agreement provides that both the Ministry of Agriculture and the Producers Committee will establish the areas to be planted in 1986 and 1987, and the planting schedule will be based on the advances made. Studies will also be undertaken with a view to increasing the area planted to rice in the forest region and increasing the productivity of the traditional zones, and with rwgard to the system for marketing this graminaceous crop. [Text] [Lima EL COMERCIO in Spanish 29 Jun 86 p A-12] 5157

LOANS TO VENDORS--The OAS granted 215 new credits for street vendors in the districts of San Martin de Porres and Comas under its Social Development and Employment in Urban Communities program carried out through an agreement with the Ministry of Labor. The OAS office in Lima reported that the credits totaling 215,000 intis have been granted to groups of five persons, members or partners of a base organization, who have received training in accounting, marketing, and business management. With this new group, a total of 1,300 street vendors will have been helped. [Text] [Lima EL COMERCIO in Spanish 21 Jun 86 p A-7] 7717

PUNO TROUT HARVEST--By next August, about 10 metric tons of trout will be caught in the floating cages installed in the community of Llachon, one of the three places in Puno where the "Titicaca" Special Fishing Project is being carried out. CORPUNO [Puno Promotion and Development Corporation] which promotes that project stated that the Llachon community breeder already has immature trout of commercial size, even 30 centimeters. The director of the project, Eng Julian Barra Catacora, recently visited that place and verified the development of the system of floating cages. He said that everything is going according to plans. He indicated that the community fishing enterprise of Llachon has priority from CORPUNO but he indicated that there is a limit to the number of young fish since there is a high demand. He indicated that the investment by CORPUNO in that enterprise will reach 200,000 intis, including infrastructure. [Text] [Lima EL COMERCIO in Spanish 22 Jun 86 p A-10] 7717

FISH QUOTA--(Published in Offprint No. 2022 of 21 June 1986 of the official newspaper EL PERUANO)--Between Pisco and the northern border, 750,000 metric tons of anchovy, 340,000 of sardines, and 125,000 of mackerel can be caught between June and September 1986 according to the recommendation of IMARPE [Sea Institute of Peru]. (Ministerial Resolution No. 163-86-PE, p 45480). [Excerpt] [Lima EL COMERCIO in Spanish 22 Jun 86 p A-6] 7717

CSO: 3348/660

VENEZUELA

UCV PRESIDENT ON ADMINISTRATION HANDLING OF UNIVERSITY CRISIS

Caracas EL NACIONAL in Spanish 19 Jun 86 p C-1

[Article by Rosita Caldera]

[Text] "Never in the 28 years I have been involved in university life, as a student leader, as a teacher, as a dean and now as rector, has the Central University of Venezuela experienced a crisis of such proportions."

In making this statement, Rector Edmundo Chirinos came to the conclusion that this is the worst crisis which the UCV has ever suffered.

What makes the problem more complex now, he said, "is the attitude adopted by Minister Luis Manuel Carbonell in washing his hands of a matter he says does concern him, and publicly denying that the state has anything to do with what may happen in the universities, which are institutions sponsored by the state."

Concerned about what he termed unbelievable statements on by the minister of education, Rector Chirinos said that this nonchalance and the laughter reported during his talk with journalists either reveal inconceivable naivete on the part of a minister in the cabinet of the executive branch or would have to be the expression of an erroneous policy concerning the universities.

"I still insist," Chirinos reiterated, "that there is a lack of information on the real decision-making levels, and that Minister Carbonell seems to be a mere communications tool, with a lack of any hierarchy for decisions."

A State Problem

The rector of the UCV explained that the lack of resources for paying off old debts and making allocations to employees is indeed a state problem, such that this position on the part of what he believes is the institution of institutions, par excellence, is unconstitutional.

"Each minister represents the state and the chief of state. How then can an official in the executive branch say that this conflict has nothing to do with him? Particularly a minister who is president of the CNU, representing the state, and who oversees the functioning of our university institutions."

State Debts

"It is unbelievable that the minister could say that the body and the post for which he is responsible have nothing to do with the problem. Indeed they have! They acquired this involvement with the signing of the agreements unanimously approved, which state that it is inevitably and unavoidably necessary to pay those who have completed 25 years of service the allocations to which they are entitled by constitutional law and human right."

Other state bodies, apart from the Ministry of Education, such as the Controller°s Office and the Ministry of Finance, have also assumed this commitment.

"They themselves," Chirinos added, "have issued a prohibition and asked that the universities no longer pay out allocations. They have suggested that a special fund be created for this purpose. This is a compromise recently ratified with the rectors by Ministers Carmelo Lauria and Luis Manuel Carbonell, in December of last year.

"How can it be," he went on to say, "that halfway through the year Carbonell comes forth to tell us that the problem is ours, when we were not even allowed to include these commitments in the ordinary budget, because they--the state--would make these payments?

"Nothing can be resolved by hoots of laughter. A week ago, we three members of the commission, the rectors of the UCV, ULA and UDO went to engage in discussion, and we suggested and proposed plans for a settlement, in order to share the responsibility for seeking solutions. And the response cannot be that 'this problem belongs to the universities. Let them settle it.' No. The problem also belongs to him, as a representative of the state.

Dr Carbonell knows well that with the approval of the budget, the commitments with regard to the contracts were made clear, and obviously, as has been said, this applies to the commitments accepted when there was talk of the 'other Venezuela,' and there must be a response because of the commitments assumed. And even presuming that the university employees are in an excellent position, would it not be desirable for all employees to enjoy this status?"

The Other Venezuela

"Let us agree that there is another Venezuela. Let us begin with this. But it cannot be denied that the two parties which have alternated in power must, in consistent fashion, find a formula for the distribution of the wealth, given the bureaucratic growth in a country which has a single source of income. There is not a single ministry, including that of education, which could survive a hearing, because they all have too many employees, by 30 percent. The education budget allocation is excessive, in order to pay for the bureaucracy, to mention only that closest to hand. Now it seems that only the universities have a bureaucracy. We are indeed undertaking to redirect expenditures and the use of funds, but within the democratic and participational context which characterizes us, together with the entire university community. There are personnel reorientation measures being shared by the employees and the students. Another aspect on which attention has been focused is the demand for wage increases, but it is not only the UCV which is making this request, but rather the whole of the labor sector. In Barquisimeto, the wages of the university employees are below what is earned by public employees, who are rather poorly paid indeed.

"And it should also be made clear," he said, "that those who are directing the university conflict through the unions are the militants in and leaders of the government party, who are aware of this situation."

Prudence and Moderation

"This must be viewed as the expression of a socioeconomic and sociopolitical crisis of great proportions, which must be handled with prudence and caution. It is all of the wage earners in the country who are suffering from the decline in purchasing power. It would be suicidal to attempt to do without the university investment in order to achieve this economic recovery which the executive branch proposes."

Chirinos reiterated that the approach to investment on the higher level cannot be monetarist, "because here we have the best resources for reactivating this country. If the minister and his advisors, instead of sponsoring the amendment of Article 8 of the Education Law, which proved so polemic, would accept the proposals approved by the CNU, which contain 10 or 12 measures to involve the universities in participation in national production, both the prospects and the political scene would be different.

" There is a shortsighted, or perhaps farsighted, but in any case not a proper view of the future. The state must use and apply our technologies in agroindustry, in metallurgy, in the production of pharmaceutical and consumer products and in construction. We have the best trained engineers, architects and veterinarians in the country, and, moreover, free.

"But no, the state prefers to contract with private enterprises or to maintain state enterprises, which we could very well comanage," the rector went on to say.

"Gentlemen, I tell you that we must remove these petty details and what is not important from this discussion. The problem is not the employees' strike nor in the future will it be that of the professors or students legitimately demanding more attention to student welfare. This crisis demands a change of course in the handling of the affairs of state. All of us rectors asked the president of the republic 2 years ago to proclaim education an 'matter of state.' He appointed a commission which included former ministers, former rectors and political leaders of the AD, and in July we will submit a report."

Intervention Ineffective

Last Tuesday, the rectors met to assess the situation. They are concerned.

"The attitude of the executive branch is a closed one. If the intention is to weaken them (the universities), this would be a veritable disaster for the state. Intervention has never proved successful. University autonomy has served as a guarantee for the democratic government, as have the excellent and fluid relations between the rectors and the minister of education."

Solution Awaited

Rector Chirinos arrived at the UCV very early to preside at the regular university council meeting and to present his report. It was necessary to wait, because a quorum was lacking.

Meanwhile, the rector talked to EL NACIONAL. He is concerned because he does not want this crisis to be prolonged. It has been possible to maintain some departments, the research centers and many contracted activities, but if there were a total strike, the UCV would lose 20 or 21 million bolivares per day. Two hundred per week! Thus there is concern. The authorities are watching for any sign of a solution in order to convoke the entire community immediately so that work can be resumed.

"Therefore," he reported, "I have asked the employees to see to cleaning up the university. And they have said that they will begin. This is a gesture which will win the greatest sympathy from the entire university community, I am sure."

As to the suspension of classes, this measure was approved after five faculty councils had already taken this step. And what is felt is that the students are the main victims, because, surprisingly, a professors' strike has been added to that of the employees, in an action wherein elements anarchy, splintering and quarrelsomeness within the union movements can be observed, and which it is hoped can soon be overcome.

"We are watching for the smallest indication of a solution in order to appeal to the students, employees and professors to normalize activities."

The rector planned to submit a document, which he showed us, analyzing the budget situation of the universities. The debts being claimed correspond to 1984, 1985 and 1986, and the document includes an estimate of the allocations for teachers and administrative employees and suggests possible solutions with varying provisions for wage increases. A number of alternatives are being offered for study by the Finance and Education Commissions of the Chamber of Deputies.

This document was not submitted earlier because the parliamentary crisis itself, the authorities presumed, was taking up the time of the congressional representatives, such that they were not in the best frame of mind for considering these recommendations.

In addition, the rectors are drafting another analytical document for Thursday. But the rector had previously submitted a report drafted by the UCV which was unofficially reviewed by the Democratic Action education secretery.

"We said therein that the base levels of the government party as well as others are making demands. The fact is that the educational system must be adapted to the new Venezuela. It is significant that in the last election of new AD leaders, the most devastating vote was in the educational sector. And new leadership, that of Carlos Lee, is emerging, because it is identified with the teaching base, the forgotten teachers. It is they who put him in this position of power. But this new team is not serving in the administration of the ministry, and this is one of the reasons this conflict has not been resolved."

5157
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POLICE CORDON INTERCEPTS UNIVERSITY MARCH

Caracas EL NACIONAL in Spanish 19 Jun 86 p C-2

[Article by Txomin las Heras]

[Text] Police stationed at the corner of Dr Paul and Madrices blocked the university march which had begun at the Central University of Venezuela at 11:30 am and was proceeding to the Ministry of Education building.

The demonstrators advanced unhindered through Venezuela Square, Quebrada Honda and along Mexico and University Avenues, but when they reached Plaza El Venezolano, police lines prevented them from continuing toward the Ministry of Education. The justification was that the permit issued the preceding day stated that the march would end at that site.

About 6,000 university professors, employees and workers representing all of the higher education institutions in the country, in particular the UCV and the University of Carabobo, from which 10 full buses arrived, participated in the demonstration. It was organized to demand a just budget which would make it possible to resolve the conflicts which the various unions have set forth.

Both employees and professors are asking for wage increases, the payment of social allocations and debts dating from the years 1984 and 1985, while the student sector is demanding improved student services, as well as academic and administrative reforms in the universities. The university workers have been on strike nationally for 29 days.

This march--the fourth the university sector has seen thus far this year--was headed by leaders Pedro Requena, president of the National Federation of Venezuelan University Workers; Luis Fuenmayor, president of the UCV Professors' Association; William Pena, president of the Federation of University Centers; and Jose Khan, president of the UCV Administrative Workers' Association. Aided by others, they carried a huge Venezuelan flag.

Protruding above the traditional blue university berets were placards which read "An educator who does not want dialogue should not be a minister. Resign now." Others bore slogans such as "Carbonell, minister of paper," "No payment of the foreign debt," and "UCV in the streets for a just budget."

Incidents

Even before the march began, differences arose among the organizers about the terminal site. While the president of the FENATESV, Pedro Requena, insisted that the march should end at Plaza El Venezolano, as had been agreed with the government authorities of the Federal District the night before, student leaders, in the main, maintained that it must proceed to the Ministry of Education, as it had been announced publicly that it would.

As no agreement could be reached at an unscheduled meeting of the unions, the demonstrators, on arriving at Plaza El Venezolano, sought to continue through the Dr Paul intersection toward the Ministry of Education, but they were blocked by the police. However, another group turned off at the corner of San Jacinto and Madrices and proceeded on past Urdaneta Avenue in the direction of the ministry headquarters.

At the corner of Madrices, the police intervened, preventing the rest of the marchers from following.

Students, teachers and employees then began to sing the national anthem and to shout "We are protesting, unarmed," in an attempt to prevent any possible move by the police, while the organizers met with the chief of operations of the metropolitan police, Col Valmore Rodriguez, and the civil and political director of the government of the Federal District, Ivan Marcano, who adamantly refused to yield to the requests of the demonstrators.

The group which succeeded in reaching the Ministry of Education included approximately 120 persons. They were unable to enter the building.

The president of the APUCV, Luis Fuenmayor, criticized the attitude of the government in granting a permit at the last minute, even saying that this was illegal, because according to the law, all that is required is that the authorities be notified of the event planned.

Appeal to the Government

The president of the FENATESV, Pedro Requena, appealed to the national government "to understand that the suspension of activities ordered by the university councils and the threatened wage reduction at six experimental universities has forced the FENATESV and the other brotherly unions to radicalize the struggle, for which reason we demand that the government, either through the High-Level Commission or the CNU, meet with us to discuss our recommendations, on which we stand firm after 28 days of national strike.

"We believe that the minister of education, as president of the National Council of Universities, could meet with us, convoking that body in special session for the purpose."

5157
CSO:3348/668

BRIEFS

CTV SUPPORTS UCV DEMANDS--Although it is not affiliated with the Confederation of Workers of Venezuela, the union organization at the Central University of Venezuela is being supported by this largest workers union' in its claims against the national executive branch. On the basis of this participation by the CTV, a first agreement, including the workers in the leading educational institution of the country in the wage increase benefits for state workers in effect, and recommending formulas for resolving the situation of the employees, was reached. The information provided by the secretary general of the CTV, Cesar Olarte, indicates that initially a meeting was held with the union representatives of the UCV in an effort to provide a solution to the conflict, which has caused the suspension of classes at this institution. "It would be well to note that the workers and employees of the UCV do not have union organizations affiliated with the CTV, such that we can only take action after a formal written petition has been drafted by the interested party, which will occur tomorrow (today), Thursday, at the meeting of the executive committee of the CTV, as the UCV union leaders have been promised. "However," he added, "we are holding meetings with them and with Dr Carmelo Lauria in an effort to find formulas which will put an end to this problem, which has kept classes suspended. We have tried since the time they brought us the problem to find a solution satisfactory to all. I can now state that the workers at the UCV have no further problem, because it was agreed to include them as 'state workers' in the wage increase benefits decreed by the president of the republic, in other words, 15 bolivares, which will be paid to them as it is to all the others, in three installments." He said that all that remains to be dealt with is the status of the office employees, who are demanding an increase of 800 bolivares, amounting to 220 million bolivares annually, and 80 million owed by the UCV in social allocations to its workers, the majority of them pensioners. "But this demand too can be resolved, and this is what is being discussed now. Several viable alternatives will be presented to the minister of the Secretariat of the Presidency, Dr Carmelo Lauria, who is pursuing the dialogue on this problem on behalf of the executive branch." The CTV leader believes it possible that this payment will be made in installments, to avoid a burdensome disbursement, and as an additional credit tothe executive branches is pending, this sum, in accordance with a second alternative, could be incorporated. In any case, these and other subjects will be discussed at the meeting of the executive committee of the CTV today. [Text] [Caracas EL NACIONAL in Spanish 19 Jun 86 p C-2] 5157

CSO:3348/668

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